United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 107th CONGRESS, FIRST SESSION

Vol. 147 WASHINGTON, WEDNESDAY, APRIL 4, 2001 No. 48

House of Representatives

The House met at 10 a.m. and was called to order by the Speaker pro tempore (Mr. SUNUNU).

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
April 4, 2001.

I hereby appoint the Honorable JOHN E. SUNUNU to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
Speaker of the House of Representatives.

PRAYER

Rabbi Jimmy Kessler, Congregation B'nai Israel, Galveston, Texas, offered the following prayer:

When my grandparents Sol Aron, Pincus Kessler, Fred Nussenblatt, and Ralph Hoffman fled inhuman treatment in Europe, I wonder what their prayers would be this day. Surely, standing in this hallowed place inspires my deepest gratitude for their courage and faith and for the freedom and strength of our great Nation. Moreover, though it may be routine for some of you in this room today, it is truly an awesome moment for me to realize those who have stood here before me and to be privileged to occupy that same space.

Cognizant of this precious moment, I have chosen words that I believe echo feelings shared by many of my fellow citizens that in this Chamber are 435 of the choicest blessings our country possesses. In each of you are our dearest wishes, our choicest hopes, and our sincerest aspirations for today and all the tomorrows. Please know that you carry in your words and in your hands our special trust, and by your actions and words you bless us.

Our God and God of our Ancestors:

Watch over those who stand in this House. Keep them ever mindful of our expectations and the trust we place in them. Give them wisdom for their actions and grant to each of them when they leave this Chamber daily the joy of being able to say that the words of their mouths and the meditations of their hearts are acceptable in Your sight, and, therefore, truly know that they are a blessing to those of us for whom they stand here. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentlewoman from Texas (Ms. GRANGER) come forward and lead the House in the Pledge of Allegiance.

Ms. GRANGER led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

WELCOME TO RABBI JIMMY KESSLER

(Mr. LAMPSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAMPSON. Mr. Speaker, it is a real pleasure for me today to welcome Rabbi Jimmy Kessler to Washington and to thank him for his inspirational invocation. Rabbi Kessler, a native Houstonian, is rabbi of Congregation B'nai Israel of Galveston, the oldest Reform congregation in Texas. I am proud that he is a part of my congressional district and proud that he can be here today.

Rabbi Kessler is not only a spiritual leader in Galveston County and throughout Texas, but he is a civic leader as well. People of all faiths turn to him for his counsel and his wisdom. He and his wife, Shelley Nussenblatt Kessler, are personal friends of my wife Susan and me. They are people who we count on for guidance and support.

Rabbi Kessler is a leader throughout Texas when it comes to speaking out against discrimination and bigotry. He is a shining example of the diversity that makes the 9th Congressional District the beautiful mosaic that it is. Some of my colleagues may not know this, but the word ''rabbi'' in Hebrew means teacher, and that Rabbi Kessler truly is.

Mr. Speaker, I urge my colleagues, regardless of their faith, to reflect on the words that the rabbi said today when he addressed this body. I think my colleagues will see the wisdom in this teacher's words.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain 5 1-minute speeches on each side.

CHINA IS AT FAULT

(Mr. PITTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PITTS. Mr. Speaker, China's President should apologize to the United States for its aggression in the accident with one of our airplanes over international waters. This is not the first time Chinese Air Force fighter pilots have recklessly and aggressively flown by our slower-moving planes over international waters well outside of China's boundaries to harass our Air Force planes. They have done this repeatedly and have been warned of the

Printed on recycled paper.

danger. Unfortunately, this time, the Chinese fighter caused an accident.

This reckless aggression, the forced landing of our disabled plane, and now the holding of our crew and plane as hostages, and now China's belligerence is outrageous. It violates international agreements that China has signed; it damages U.S.-China relations.

President Bush should stand firm and strong and demand an apology from the dictators in Beijing, the immediate return of the American crew and plane. China is at fault on this one.

CHINA TESTING AMERICAN RESOLVE

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, after holding 24 Americans as prisoners, China now demands an apology, an apology for spying on a country who has missiles pointed at us. Beam me up. China is now testing American resolve, piece by piece, incident by incident.

Mr. Speaker, we need to tell it like it is. China is trying to determine what Congress and Uncle Sam will do when China attacks Taiwan. That is the way it is, folks. I say the dragon is going too far.

I yield back the fact that an attack on Taiwan is an attack on democracy, and, by God, that should be considered an attack on the United States of America.

SUPPORT CRUCIAL FUNDING FOR RYAN WHITE CARE ACT

(Ms. ROS-LEHTINEN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. ROS-LEHTINEN. Mr. Speaker, my home State of Florida ranks third in people reporting full-blown AIDS and, in my district of Miami, fourth in the top 10 cities. The lifetime medical cost of one AIDS case is estimated at $69,000, which means that uninsured or underinsured patients would have little or no recourse for affording treatment if it were not for the Ryan White Care Act.

These programs have been a critical source of care and services for people living and dealing with HIV/AIDS. The Ryan White Care Act provides funding to support a range of HIV care and services, from HIV testing and counseling to prescription drugs and home hospice care. It is founded on a strong partnership between the Federal Government, States and local communities, and it emphasizes less costly outpatient and primary care to prevent expensive emergency room visits and hospitalizations.

The Ryan White Care Act serves approximately 500,000 individuals with HIV and AIDS every year. The reauthorization of this act last October was a great victory for the AIDS community. It was a victory for America's 400,000 plus families who will lose a loved one this year to AIDS. On their behalf, we ask our colleagues to support crucial funding for the Ryan White Care Act this year.

COMPLETED COUNTING REAFFIRMS BUSH VICTORY

(Mr. STEARNS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, even before Vice President Gore conceded the Presidential election, the Democrats talked about counting all of the ballots to see who really won. Well, that task has been accomplished.

The Miami Herald, Knight Ridder and USA Today conducted a comprehensive review of more than 64,000 ballots in all 67 Florida counties. What did this review find? Bush's margin of 537 votes would have increased to 1,665 if all the ballots were counted. This number was reached using the standard of counting every dimple, pinprick or hanging chad as a valid vote.

Under different scenarios, counting chads with two corners detached, or counting dimples for the Presidential election, the verdict was the same: Governor Bush still would have won.

This election was decided conclusively last year. For those who could not accept this fact, there was this fantasy, ''What if all the votes had been counted?'' The answer remains the same: President George W. Bush.

HANDS ARE NOT FOR HURTING

(Ms. HOOLEY of Oregon asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. HOOLEY of Oregon. Mr. Speaker, hands are not for hurting. It is a simple phrase and a simple concept, but one that too many never learn.

I rise today to spread the word about the Hands Are Not For Hurting Project started by Ann Kelley, a woman in Salem, Oregon, who is dedicating her life to violence prevention. Ann got the idea that if all children took a pledge that they would not use their hands for hurting and signed that pledge on a purple paper cut-out of their hand, then that simple idea may penetrate. She reasoned that because violence is a learned response, it could be unlearned, and we could teach more peaceful and constructive methods of showing anger or resolving disputes.

Hands Are Not for Hurting is now being used by schools, churches, civic groups and government agencies in more than 20 States. Thousands of young people and adults across this country have taken the pledge to refrain from violence.

Today marks one of the saddest anniversaries in America's recent history. To commemorate the life and goals of Martin Luther King, Jr., I would like to urge all of my colleagues to spread the word. Hands are instruments that can paint a masterpiece, sculpt a classic, or wipe a tear from a child's face, but hands are not for hurting.

APRIL IS CHILD ABUSE AWARENESS MONTH

(Ms. GRANGER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. GRANGER. Mr. Speaker, April is Child Abuse Prevention Month, and, unfortunately, child abuse is a very real problem in the United States.

In 1999, 825,000 children were victims of abuse or neglect, a sad and preventable statistic, Mr. Speaker, 825,000 children we cannot afford to turn our backs on. Violence toward one child affects everyone.

Keeping our children safe is a community responsibility because ultimately all of us pay the price for those who grow up in abusive homes by way of increased law enforcement, medical and drug treatment, remedial education, foster care and public assistance.

Child abuse is preventable, and everyone must be involved: neighborhoods, schools, churches, the local government, and the media. Each of us can start by participating in the blue ribbon campaign. It is a tangible way to demonstrate one's concern about child abuse and neglect. So let us wear a ribbon and when someone asks, as I do, what is that ribbon for, instead of just saying that it signifies Child Abuse Prevention Month, let us say, this represents the children who were abused in my community last year. Would you wear one, too, so we will not forget?

Let us remember that children are only 20 percent of our population today, but 100 percent of our future.

RETIREMENT SAVINGS ACCOUNTS

(Mr. NEAL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NEAL. Mr. Speaker, today I am introducing legislation to expand and improve pension coverage for low- and moderate-income workers.

My legislation will provide an incentive for these workers to participate in the current pension system and to hopefully stay in the system once the benefits of compounded interest can be clearly seen. For those who believe that we must really do something to encourage savings, this is an ideal piece of legislation.

This bill will allow individuals to receive up to a 50 percent tax credit on voluntary contributions to an individual retirement account or an employer-sponsored pension plan. The maximum credit would be $1,000 on a $2,000 contribution and would be refundable so that this incentive to save

would be attractive to some who otherwise might not be in a pension system due to low incomes.

The bill also allows small businesses to receive two tax credits, one for start-up administrative costs associated with a new pension plan and another for contributions made to a pension plan for non-highly-compensated employees covered under the plan.

Mr. Speaker, I believe this bill would make significant progress in encouraging employees to participate in a pension system and, most importantly, to keep them participating. I hope this year we will move this legislation and attach it to any piece of major pension legislation that moves or sails through this Congress.

□ 1015

PAYING TRIBUTE TO DAN KROLL

(Mr. ROGERS of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROGERS of Michigan. Mr. Speaker, I rise today to share with this body an uncommon act of my constituents, Dan and Lisa Kroll of Marion Township, Michigan.

Kelly, Ray and Collin Shuler are neighbors of Dan Kroll. Collin, the Shuler's 2-year-old son, suffers from a serious brain injury which causes him to have partial blindness and stunted development. The Shulers have traveled throughout this Nation and to Canada in order to learn physical therapy procedures that they can perform themselves on their son. The family also pays upwards of $30,000 per year in out-of-pocket medical expenses for Collin.

When Dan Kroll and his wife Lisa learned of their young neighbor's condition, they decided to help. By calling contacts on Dan's United Parcel Service route, Dan and his wife Lisa put together a fundraiser for Collin. Dan and Lisa Kroll hosted a major benefit dinner for Collin Shuler. The event was a tremendous success, gathering friends and neighbors, nearly 500 individuals who attended, and more than $20,000 was raised.

Mr. Speaker, we are quick sometimes to condemn the acts of aggression, and not so quick sometimes to celebrate the acts of kindness that happen in America. Dan and Lisa Kroll have shown this kind of kindness by bringing the entire community of Howell, Michigan, together to make a difference in the lives of their neighbors.

This act of kindness must not go without recognition. Therefore, Mr. Speaker, I respectfully ask my colleagues to join me in paying tribute to Dan Kroll for being an inspiration to us all, and for reminding us that community service is an important part of American life.

PRINTING OF REVISED AND UPDATED VERSION OF ''WOMEN IN CONGRESS, 1917–1990''

The SPEAKER pro tempore (Mr. SUNUNU). The unfinished business is the question of suspending the rules and agreeing to the concurrent resolution, House Concurrent Resolution 66.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. NEY) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 66, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 414, nays 1, not voting 16, as follows:

[Roll No. 79]

YEAS—414

Abercrombie
Ackerman
Aderholt
Akin
Allen
Andrews
Armey
Baca
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett
Bartlett
Barton
Bass
Bentsen
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop
Blagojevich
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Castle
Chabot
Chambliss
Clay
Clayton
Clement
Clyburn
Coble
Collins
Combest
Condit
Conyers
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jo Ann
Davis, Tom
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Dingell
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Ferguson
Filner
Flake
Fletcher
Foley
Ford
Frank
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Harman
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E.B.
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kerns
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Langevin
Lantos
Largent
Larsen (WA)
Larson (CT)
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Miller, George
Mink
Moakley
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Payne
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Reyes
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roukema
Roybal-Allard
Royce
Ryan (WI)
Ryun (KS)
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Scarborough
Schaffer
Schakowsky
Schiff
Schrock
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Simmons
Simpson
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spence
Spratt
Stark
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Toomey
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Visclosky
Vitter
Walden
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Wicker
Wilson
Wolf
Wu
Wynn
Young (FL)

NAYS—1

Paul

NOT VOTING—16

Becerra
Bereuter
Fattah
Fossella
Gordon
Johnson, Sam
Kennedy (RI)
Latham
Matsui
McKinney
Meek (FL)
Rush
Tierney
Whitfield
Woolsey
Young (AK)

□ 1039

Mr. HOUGHTON, Mr. EHLERS, and Ms. BERKLEY changed their vote from ''nay'' to ''yea.''

So (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. BEREUTER. Mr. Speaker, today, I was off the Hill on official business and missed rollcall vote 79 (H. Con. Res. 66, Revising and Updating "Women in Congress, 1917–1990"). Had I been present I would have voted "yea."

PROVIDING FOR CONSIDERATION OF H.R. 8, DEATH TAX ELIMINATION ACT OF 2001

Mr. REYNOLDS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 8 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 111

Resolved, That upon the adoption of this resolution it shall be in order without intervention of any point of order to consider in the House the bill (H.R. 8) to amend the Internal Revenue Code of 1986 to phase out the estate and gift taxes over a 10-year period, and for other purposes. The bill shall be considered as read for amendment. The amendment recommended by the Committee on Ways and Means now printed in the bill shall be considered as adopted. The previous question shall be considered as ordered on the bill, as amended, and on any further amendment thereto to final passage without intervening motion except: (1) one hour of debate on the bill, as amended, equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means; (2) the further amendment printed in the report of the Committee on Rules accompanying this resolution, if offered by Representative Rangel of New York or his designee, which shall be in order without intervention of any point of order, shall be considered as read, and shall be separately debatable for one hour equally divided and controlled by the proponent and an opponent; and (3) one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. SUNUNU). The gentleman from New York (Mr. REYNOLDS) is recognized for 1 hour.

Mr. REYNOLDS. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Massachusetts (Mr. MOAKLEY), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

(Mr. REYNOLDS asked and was given permission to revise and extend his remarks, and include extraneous material.)

Mr. REYNOLDS. Mr. Speaker, House Resolution 111 is a modified closed rule providing for consideration of H.R. 8, a bill to phase out the estate tax over 10 years.

The rule provides for 1 hour of general debate, equally divided and controlled by the chairman and the ranking member of the Committee on Ways and Means. Additionally, the rule waives all point of order against consideration of the bill.

The rule provides that the amendment recommended by the Committee on Ways and Means now printed in the bill shall be considered as adopted.

The rule also provides consideration of the amendment in the nature of a substitute, printed in the Committee on Rules report accompanying the resolution, if offered by the gentleman from New York (Mr. RANGEL) or his designee, which shall be considered as read and shall be separately debatable for 1 hour equally divided and controlled between a proponent and an opponent.

Furthermore, the rule waives all points of order against the amendment in the nature of a substitute.

Finally, the rule provides for one motion to recommit with or without instructions.

Mr. Speaker, I speak in strong support of this rule and its underlying bill, H.R. 8, the Death Tax Elimination Act of 2001.

Mr. Speaker, the issue before us today is not a new one; the 106th session of Congress voted three times in a bipartisan fashion to eliminate the death tax. In fact, this Congress fell only a handful of votes shy of overturning the Presidential veto.

Once again, we have the opportunity to bury the death tax once and for all. And this time I believe we can do it free from the threat of a Presidential veto.

This tax was initially imposed to prevent the very wealthy from passing on their wealth from one generation to the next. At the time, this well-intentioned tax eased concerns about the growing concentration of money and power among a small number of wealthy families. Later, it was used to fund national emergencies, and it became necessary to maintain these tax rates at high war-time levels during the 1930s and 1940s. But they remained relatively unchanged until the Tax Reform Act of 1976.

Ironically, the death tax today serves little of the purpose for which it was intended. Rather than prevent the concentrated accumulation of vast wealth, the death tax punishes savings, thrift and hard work among American families.

Small businesses and farmers are penalized for their blood and sweat and tears, paying taxes on already-taxed assets. Instead of investing money on productive measures such as business expansion or new equipment, businesses and farms are forced to divert their earnings to tax accountants and lawyers just to prepare their estates.

□ 1045

As has been pointed out by the American Farm Bureau, families own 99 percent of our Nation's farms and ranches, and those farmers and ranchers pay taxes at a rate much higher than the population at large.

Not long ago, over 100 of some of the richest people in the world, including Bill Gates, Sr., Warren Buffett, Paul Newman, and members of the Rockefeller family, took out a full page ad in The New York Times urging Congress not to eliminate the death tax. It is not, however, these few megamillionaires who most suffer from the punitive effects of the death tax. Had they spent their lives milking herds or plowing fields, they might understand why the Farm Bureau has made elimination of the death tax its number one legislative priority.

The victims of the death tax are typically hard-working Americans with medium-sized estates; farmers and small business owners. Their enterprises create jobs, growth, and opportunity in our hometown communities, but every year thousands of heirs are literally forced to sell the family farm or business just to pay off their death taxes.

As Farm Bureau president Bob Stallman said during testimony before the Committee on Ways and Means, and I quote, "Farm operations are capital-intensive businesses whose assets are not easily converted into cash. In order to generate the funds that are needed to pay hefty death taxes, heirs often have to sell parts of their businesses. When parts are sold, the economic viability of the business is destroyed."

Indeed, with penalties reaching as high as 55 percent, these farmers and ranchers are often forced to sell off land, buildings or equipment otherwise needed to operate those businesses. The death tax is turning the American Dream into the "Nightmare On Elm Street."

Equally disturbing is the fact that the death tax actually raises relatively little revenue for the Federal Government. Some studies have found that it may cost the government and taxpayers more in administrative and compliance fees than it raises in revenues.

Of course, farmers and ranchers are not the only ones facing an unfair and unnecessary burden from the death tax. Not long ago, the Public Policy Institute of New York State conducted a survey on the impact of the Federal estate tax on upstate New York. The findings were alarming. The study found that in a 5-year period, family-owned and operated businesses on the average spent $125,000 per company on tax planning alone. These are costs incurred prior to any actual payment of the Federal estate taxes. They reported that an estimated 14 jobs per business have already been lost as a result of the Federal estate tax planning. For just the 365 businesses surveyed, the total number of jobs already lost to the Federal estate tax is over 5,100, and that is just in upstate New York.

According to the National Federation of Independent Businesses, nearly 60 percent of business owners say they would add more jobs over the coming years if death taxes were eliminated, more jobs and greater opportunities for our citizens.

As William Beach, director for the Center for Data Analysis at the Heritage Foundation, recently wrote, the death tax cuts across all racial and community lines. "Take the Chicago Defender newspaper, an important

voice for the black community for nearly a century,'' Beach wrote. ''When Defender owner John Sengstacke died recently, his granddaughter was forced to seek outside investors and even considered selling the paper to pay off the death taxes, which totaled $4 million.

''More blacks can expect the same experience,'' he continued. ''Income levels in black households have tripled over the last 24 years, and the number of black-owned businesses more than doubled from 1987 to 1997. According to a recent survey, the death tax is the most feared Federal tax'' among these business owners.

My rural and suburban district in New York is laden with small businesses and farms. They are owned by hard-working families who pay their taxes, create jobs, and contribute not only to the quality of life of their community, but to this Nation's rich heritage. Is it so much to ask that they be able to pass on their industry and hard work, their small business or their farm to their children? Must Uncle Sam continue to play the Grim Reaper?

The fact is they paid their taxes in life on every acre sewn, on every product sold, and every dollar earned. They should not be taxed in death, too.

Mr. Speaker, I would like to commend the chairman of the Committee on Ways and Means, the gentleman from California (Mr. THOMAS); and the ranking member and my colleague, the gentleman from New York (Mr. RANGEL), for their hard work on this measure. I would also like to extend my gratitude to the gentlewoman from Washington (Ms. DUNN) and the gentleman from Tennessee (Mr. TANNER) for their tireless efforts to once again bring this important measure to the House floor.

Mr. Speaker, I urge my colleagues to bury this unfair tax once and for all by approving both the rule and its underlying legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I thank my dear friend, the gentleman from New York (Mr. REYNOLDS), for yielding me the time, and I yield myself such time as I may consume.

Mr. Speaker, to listen to my Republican colleagues singing the praises of this bill, one would think it was going to change the lives of millions of Americans the minute the ink was dry. But before anybody starts spending the inheritance, they should read the fine print, Mr. Speaker. This bill is full of it.

For starters, this bill does not actually repeal the estate tax until the year 2011. To listen to the other side, Mr. Speaker, one would think that repeal was waiting just around the corner; that it was something everyone could plan on. The fact is my Republican colleagues wait another 10 years, just beyond the reach of any budget enforcement, to repeal this estate tax.

Do my colleagues know what 10 years means, Mr. Speaker? It means five new Congresses, and it means at least one, and possibly two, new Presidents. If this bill were signed into law today, all those new political forces would have to agree to stay the course for the estate tax to actually be repealed. I, for one, would not bet the family farm on the many politicians keeping someone else's promise to reduce taxes.

Mr. Speaker, it is not as if this Republican bill would even help most Americans. This bill will not even help the richest of Americans. Under existing laws, fully phased in, the first $1 million of an estate is completely excluded from taxation. For a couple who does the bare minimum estate planning, the first $2 million are completely tax free. Or to put it another way, only the richest 2 percent of all Americans pay any estate tax now. In fact, one-half of all of the estate tax revenue collected in 1998 was paid by only 3,000 families. Most ordinary, hard-working families have absolutely no stake in this bill.

However, the President's Cabinet has a stake in it. President Bush and his Cabinet stand to gain $5 million to $19 million each if this repeal happens. The 50 wealthiest Members of Congress stand to gain, together, about $1 billion if this repeal happens. But for the other 98 percent of us, this bill would provide not 1 cent of tax relief. Nothing. Not one penny.

Mr. Speaker, not all millionaires are treated alike under this bill. Leave it to my Republican colleagues to make distinctions among millionaires and to make sure that the wealthiest go to the head of the relief line. This Republican bill would immediately repeal the 10 percent surtax that applies only to estates valued above $10 million. The Committee on Way and Means Republicans added that provision for the richest of the rich in place of a provision in the introduced bill. The provision they struck would have immediately increased the amounts excluded from the estate tax. That provision would have helped the merely moderately wealthy, family farms, and small businesses.

But Republicans would only let tax relief trickle down to the less wealthy millionaires after a few more years. Your ordinary millionaire, whose estate is worth $3 million, will not see any relief under the Republican bill until 2004, and then these rates would be reduced to 1 or 2 percentage points until the year 2011.

The problem is that my Republican friends believe in budgetary magic. Last week House Republicans passed their ''three-card monte'' budget. Just when it looks like you can tell how huge their tax cuts are, they throw a little hocus-pocus at you, and they give the Committee on the Budget chairman authority to increase, but not to reduce, the size of any tax cuts.

Mr. Speaker, do you know why? Because House Republicans believe that $1.6 trillion is just the starting point. They believe that $1.6 trillion may cover President Bush's proposals, but they have a few proposals of their own to throw into the mix. How will they pay for their trillions of dollars in tax relief for the rich? In the budget they propose deep cuts in low-income heating assistance. They slash the growth in education funding; they decimate prescription drug benefits; endanger Medicare, Social Security, defense and agriculture. But then Mr. Speaker, abracadabra, in July, the Committee on the Budget chairman can change all of those spending numbers.

The only thing that they do not say is how all of this would add up. Unfortunately, that is what a budget is supposed to do. This budget illusion is just a variation of an old trick: Make big problems disappear by ignoring them. Republicans believe that they can make the huge cost of repeal disappear if they hold off until the end of the 10-year budget horizon. This is just hoping the big bully will disappear if you do not look at him until the end of recess. Ignoring problems do not work in the playground, and they will not work in the world of public finance. When fully phased in, repealing the estate tax will directly cost Americans $50 billion each year. It will cost States about $6 billion each year, and all of that revenue will be made up in fees and taxes, or cuts in services.

Who will pay it? Mr. Speaker, the other 98 percent of Americans. Repeal will simply shift the burden from the shoulders of the very richest Americans to everyone else's shoulders.

Estate tax repeal encourages inequality. It promotes huge disparity in wealth over many generations. Repeal of the estate tax will remove one of the last remnants of progressivity in the Tax Code. The wealthiest Americans report relatively little of their income during their lifetime because most of it is in the form of accrued but unrealized capital gains, or other tax-preferred investments. The estate tax liability for the wealthiest of Americans is, on average, seven times their income tax liability. By removing the estate tax, we will further increase the inequality of treatment between income derived from capital and income derived from a good day's work.

Mr. Speaker, if we repeal the estate tax, we will be left raising all of the government's revenue with only payroll taxes, taxes on wages, taxes on salaries, taxes on cigarettes, liquor and gasoline, and that is just not fair.

Too many family farms and small businesses still pay the estate tax, but that is a small part of the picture. Family farms and small businesses actually represent only 3 percent of the 2 percent, or 0.0006 percent, of all estates subject to the estate tax. The Republican bill switches from step-up basis under the current law, and retained in the Democratic substitute, to carry-over basis.

Mr. Speaker, that is a tremendous price the inheritors will have to pay down the line. Mr. Speaker, they do

not need the promise of a repeal in 10 years, they need immediate relief through expanded exemptions and adjustments for inflation as provided in the Democratic substitute. The Democratic substitute would immediately, and I use the word ''immediately,'' exempt 99.4 percent of all family farms and all small businesses.

The President is fond of saying that he trusts the people. Mr. Speaker, when the people learn that this bill will help only the wealthiest few, when the people learn about the delay and budget gimmickry, I doubt if that trust will be reciprocated. The Republican tax policy is too high-ended to help ordinary, hard-working American families, and it is too back-loaded to be of any help to our sputtering economy today.

Mr. Speaker, I urge my colleagues to defeat the Republican bill and pass the Democratic substitute.

Mr. Speaker, I reserve the balance of my time.

□ 1100

PARLIAMENTARY INQUIRY

Mr. CALLAHAN. Mr. Speaker, I request a point of inquiry. I have a question I need to direct to the Chair and to the ranking member and chairman. It may require them to yield to me 30 seconds each so they can respond.

The SPEAKER pro tempore (Mr. SUNUNU). The gentleman will state his point of inquiry.

Mr. CALLAHAN. My point of inquiry is where can I offer an amendment and where would it be appropriate and would each side support it? As you may know, Mr. Speaker, Warren Buffet, Ted Turner, and Bill Gates, Sr. have all come out against this package. I think that we ought to facilitate them to whatever extent that we can.

The SPEAKER pro tempore. The gentleman does not appear to be making a parliamentary inquiry.

Mr. CALLAHAN. I would respectfully ask that each side yield me 30 seconds so they can respond.

The SPEAKER pro tempore. The gentleman may seek time from either side.

Mr. REYNOLDS. Mr. Speaker, I yield 30 seconds to the gentleman from Alabama (Mr. CALLAHAN).

Mr. MOAKLEY. Mr. Speaker, I yield 30 seconds to the gentleman from Alabama (Mr. CALLAHAN).

The SPEAKER pro tempore. The gentleman is recognized for 1 minute.

Mr. CALLAHAN. My question is, to facilitate these multibillionaires who are against this bill, Mr. Speaker, I want an opportunity to offer an amendment which limits the reductions in this tax to the first billion dollars. I think that this will satisfy them, because they will be able to pay taxes on anything over a billion dollars. Therefore, those that need relief, the poor Americans, would have the opportunity for some relief. It is an honest request. I would respectfully ask the chairman and the ranking member if they would support such an amendment, if they can answer that and the appropriate time, Mr. Speaker, as to when I can introduce it.

Mr. MOAKLEY. Mr. Speaker, I yield myself such time as I may consume.

I was just going to answer my dear friend from Alabama. If the Democratic substitute fails, I would gladly back his proposal.

Mr. Speaker, I reserve the balance of my time.

Mr. REYNOLDS. Mr. Speaker, I yield 3 minutes to the gentlewoman from Ohio (Ms. PRYCE).

Ms. PRYCE of Ohio. Mr. Speaker, I thank the gentleman from New York for yielding me this time, and I rise in strong support of this rule and the bill to repeal the death tax.

Mr. Speaker, the American dream is about the opportunity of every American to build a better future for themselves and their children through hard work and personal initiative. It could mean building your own business, pouring your own sweat into a small farm just to turn out a profit and saving each day so that you can leave something to your family. Yet it is these Americans who are working hard, playing by the rules and paying taxes all the while who upon their death become victims of an onerous and unfair tax that discounts their dedication, punishes their entrepreneurship, and denies their dying wishes.

Think of the young man who 50 years ago was the first in his family to go to college. He worked hard, he pulled himself up, and he made a better life. Should he not be able to provide a better life for his family, for his children as a result of his lifetime of work and savings? Rewarding hard work and initiative is part of the promise of our Nation. But, no. Instead, the government taxes this initiative, this promise, not once but twice.

Think of the small businesswoman or family farmer. Their money is used to run their businesses, pay their hard-working employees and invest in needed equipment, all the while paying their taxes. To pay the death tax, families must sell off assets, lay off these workers and even sometimes close their doors completely. This is not right. There is no logic or fairness in this tax. Small, family-owned businesses, farms and ranches are integrally connected to our communities and represent the American values that are at the core of our country. Yet many small businesses and family farms and ranches are not passed on and continued after the first generation because of the death tax.

Let us not talk about carve-outs or exceptions that help only some but not all families. It is time to completely eliminate the death tax and reinvest in America so that business owners, farmers and all dedicated individuals can pass on their dreams and ensure that their values live on.

Mr. Speaker, last year I was joined by every single one of my Republican colleagues and 65 of my friends from across the aisle in voting to eliminate the death tax. We again have a chance to do the right thing and end this tax on the American dream.

Let us bury the death tax.

Mr. MOAKLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts (Mr. CAPUANO).

Mr. CAPUANO. Mr. Speaker, I thank the gentleman for yielding me this time.

There are just a couple of points that I want to make. I want to make it clear to the people at home that the Democratic proposal almost immediately exempts $4 million and below of estates. Now, I know that to some people in this Chamber that does not mean a lot, but it means a lot in my district. I know a handful of people, and I come from a pretty wealthy district, that have estates worth more than $4 million. As a fact, there are only approximately 6,300 estates in the entire United States of America on average in a year that are above the $4 million mark. That is all. Six thousand three hundred estates. If the Democratic proposal is adopted, all but the richest 6,300 people will be exempt from taxation. Period. That is really the bottom line in this debate.

On the Republican proposal, it is just the opposite. We go from the bottom up and they come from the top down. Now, it is funny over the last several years even I from one of the most Democratic districts in the country get questioned, ''What's the difference between Democrats and Republicans?'' This is it. This is it. When it comes to who is going to get the tax relief, we go from the bottom up. They come from the top down. Now, there is nothing wrong with that. It is just a significant different philosophy, one that I am proud to share.

There are a couple of other questions. There were some points made about the administrative costs of the estate tax. Agreed. If you cut out 85 percent of the people subject to taxation, which is what the Democratic bill does, you cut out the cost of administration. You are now only administering 15 percent of the tax bills. The other point I guess I want to make and I do not think it has been made yet this morning but we will hear it all day long about the rates of taxes paid. The actual tax paid on the richest estate, not the rate, not this, not that, after all the loopholes, after all the deductions, after all the exemptions, the actual tax paid is roughly 20 percent.

In the example we heard earlier about a potential $4 million tax bill, guess what? Unless that person had no estate plan which of course if they didn't, their family should sue them. Unless that person had no estate plan, that means that person's estate was probably worth on average $20 million. You do not have a $4 million tax bill unless your estate is worth $20 million which means that person walked away, without doing anything, just by the luck of genetics, with $16 million.

Guess what? I think they will be able to survive on $16 million. My district is very expensive, but I think I could do okay on $16 million for the rest of my life, my kids' lives, their kids' lives, and their kids' lives.

This whole concept of coming from the top down is about as anti-American, I guess that is the only way I can think of it, as I can think. I thought America was built from the bottom up. That is all I ever hear about around here. Nobody ever comes and says, ''Let's help the rich guys.'' They say, ''Let's help the average American.'' The average American does not have an estate worth over $4 million in today's world.

That is why the Democratic proposal is better, that is why it should be adopted, and that is why we should vote yes when the time comes.

Mr. REYNOLDS. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri (Mr. BLUNT).

Mr. BLUNT. Mr. Speaker, I thank the gentleman for yielding me this time. I rise in support of the rule and of the bill. It is time to eliminate this tax.

I heard my good friend, the gentleman from Massachusetts (Mr. MOAKLEY), earlier today say that 2 percent of the estates in the country are taxed. I think that is an accurate figure. I think we will hear that a lot today. But it is not the 2 percent that most Americans would immediately think it is. It is not the 2 percent that are the wealthiest families in America. In fact, half of all the estates that are taxed, I guess that would be 1 percent of all estates, half of all the estates that are taxed have values of under $1 million.

Now, we all know there is an exemption for up to $675,000. I do not know what that tells my colleagues. What it tells me is that half of the people who pay this tax are people who never expected to pay it. Half of the people who pay this tax are people who would be shocked if they were still alive as their families are shocked to find out that their small business, their family farm, is worth more than $675,000. When that happens, 55 cents out of every dollar goes to the Federal Government. If your estate is worth $100,000 over $675,000, $55,000 of that goes to the Federal Government. That is just wrong.

We just heard, I think, an accurate example, that the average estate pays a 20 percent tax. That is because many estates do not pay any tax at all and many other estates are barely over the exempted amount. If you took that $900,000 estate and figured out they were losing 55 cents on every dollar worth over $675,000, you would get a relatively low rate but you are taking their business and their livelihood.

I do a farm tour every year in my district. Last year we stopped at a farm supply store because we talk to people who own farming businesses. We talk to people in agricultural businesses. I asked the people who ran the farm supply store first of all about the efforts they have made over the years to pass that business on to both of their sons who work in the business with them every day. He is not going to pay an estate tax, but he spent a lot of money to figure out how not to do it with all kinds of insurance and trusts and things like that. He said we have met lots of farmers who never have a problem financially paying their bill until somebody dies and when somebody dies, they have a big problem because they cannot figure out how to keep that asset together and pay that 55 cents on the dollar for everything that is suddenly worth a lot more than they thought it was going to be.

People do not deserve to have everything they paid taxes on all their life taxed when they die. We need to pass this rule. We need to pass this bill.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. I thank the gentleman for yielding me this time.

Mr. Speaker, I oppose H.R. 8, the third installment of President Bush's fiscally questionable tax package. For nearly a month, this body has discussed and voted on bills that provide tax relief to people least in need while ignoring our Nation's serious needs for education, health care, and the environment and, most important, the fiscal prudence, paying down the debt and meeting our existing responsibilities.

Virtually every Member of Congress agrees that the current estate tax needs to be reformed. I have supported increases in exemptions, adjustment for inflation, reduction in rate and protections for closely held family farms and small businesses which are only 9 percent of the total inheritance tax program. I fundamentally believe that reforming the estate tax will allow for more farmland, wood lots and green spaces to be preserved and small business to be protected. Estate tax reform is an essential part of making our communities more livable.

That being said, it is frustrating that despite near unanimity on this issue, my Republican colleagues insist on legislation that provides vast benefits for people who need it the least while stalling on relief for people who need help now, not 10 or 11 years from now but now. The legislation we are debating today costs $662 billion. That is why the repeal does not take place until 2011.

This is an accounting gimmick that puts the full cost of the bill outside the budgeting window, preventing the Joint Committee on Taxation from scoring the true cost of the bill. Despite the overwhelming cost, this bill does not substantially benefit the small business or the family farm for more than a decade. The Democratic alternative provides far more help for those who need it most in the next 10 years and does so now.

Since coming to Washington over 4 years ago, I have worked to make our world a more livable place, improve bipartisan cooperation and maintain our hard-earned fiscal discipline. Unfortunately, H.R. 8 manages to violate all three of those principles. It should be rejected and meaningful reform enacted.

Mr. REYNOLDS. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. DREIER), the distinguished chairman of the Committee on Rules.

Mr. DREIER. Mr. Speaker, I thank my friend for yielding me this time. I want to congratulate him on the great job that he is doing managing this very important rule, this very important component in the tax package which I know has been authored by our friend the gentlewoman from Washington (Ms. DUNN) and others who understand fully that we are all in this together.

I have listened to my friends on the other side of the aisle engage in that classic class warfare argument, us versus them. ''This is from the top down, not from the bottom up. That is the difference between the Republicans and the Democrats.''

□ 1115

The real difference is, the Republicans believe that if we are going to bring about fairness, we should be fair to everyone. Now, I know that some have quipped that Warren Buffett and Ted Turner and Bill Gates, Sr., are not proponents of this. The fact is, whether they are proponents of this or not has nothing to do with it because there may be a few other people who have been successful in this economy of ours who believe that they should have some fairness.

So we are going to provide Warren Buffett and Bill Gates and Ted Turner relief whether they want it or not, and it is the right thing to do. But it is also very important for us to note, it is very important for us to note that if we look at the impact that this death tax has had on so many small businesses and family farms in this country, it is the right thing to do for people regardless of where they are on the economic spectrum.

African Americans in this country are the group that is hit hardest by the death tax. Seventy-five percent of businesses, small businesses in this country, fail following the death of the owner. So let us make sure that we understand the difference that exists.

The Republicans want very much to make sure that we provide fairness for every single American. We are not going to pick who is a winner and who is a loser. We want to create an opportunity for everyone to succeed; and that is why we should support this rule, defeat the Democratic substitute, which the rule has made in order, because it again engages in the old class warfare argument, and then pass this very important component, which is pro-growth and will help the working men and women of this country.

Mr. MOAKLEY. Mr. Speaker, I yield 4 minutes to the gentleman from New

York (Mr. RANGEL), the ranking member on the Committee on Ways and Means.

Mr. RANGEL. Mr. Speaker, I wanted to take a minute or two to offer a truce to the gentleman from California (Mr. DREIER) on this class warfare and would agree that we could find some meeting of the mind if we could get into the Republican rhetoric some talk about preserving the Social Security system, talking about the Medicare system, talking about prescription drugs, talking about improving education.

We have here a bill offered by the majority that talks about repealing the estate tax 10 years from today. When I asked the Joint Taxation Committee how much would it cost if we took last year's bill and put it into effect immediately, they said $662 billion. So I said there is no way in the world for the Republican leadership to maintain the ceiling of $1.6 trillion that the President has put on the bill. If they have already spent $953 billion for the marginal rate changes, another $400 billion for child credits and for removing the marriage penalty, there is $200 billion left. How are they going to get this $662 billion foot into this $200 billion shoe? And they did it; they really did it. They did it by saying if one wants to protect their estate, do not die for 10 years.

What we are saying is that the Republican bill might make some sense if that was the only thing we had before us, but we have an alternative that everybody that can read the bill would know that it makes more sense to get instant relief from the Democratic bill for more people and right away.

It excludes $4 million estates starting with 2002 and that moves up to $5 million estates at the end of 10 years. The Republican plan would cost us $60 billion a year.

It is not class warfare to say how is that money going to be made up; how do we know that the surplus is going to be there; how are we going to protect the entitlement programs that one may not like but they are on the books. We have to protect those people who are going to become eligible in 10 years.

In 10 years, the $1.6 billion tax cut goes into effect. The $60 billion that we lose a year on the estate repeal goes into effect. Eighty million people will be eligible for Social Security and Medicare, and this is the time that we expect to get a $5.6 trillion surplus because the CBO says that might happen. They say that 90 percent of the time it might not happen.

So let us not say that this is class warfare. I do not have that many people running around my district with $5 million estates; but wherever they are, I would want them protected. I would not want farms lost and small businesses lost because we are taxing the estate. That is why we exclude them instead of opening some of these farms to even more of a tax exposure when we find that the appreciation in some of the property under the Republican plan is taken into consideration with the taxes that they are going to have, and that is the taxes they are going to have and will continue to have until 10 years passes.

So, Mr. Speaker, I am suggesting this: forget the class warfare and see what makes common sense in terms of 99.04 percent of the United States. Only 2 percent have any liability at all, and we take care of 75 percent of those people, and I ask them to consider the Democrat alternative.

Mr. REYNOLDS. Mr. Speaker, I yield 2 minutes to the gentlewoman from Washington (Ms. DUNN), the sponsor of this legislation.

Ms. DUNN. Mr. Speaker, I thank the gentleman from New York (Mr. REYNOLDS) for yielding me this time.

Mr. Speaker, I think it is very good that the Democrats want to be bipartisan on this, and I expect in our final legislation we will see that. My great friend and colleague, the gentleman from New York (Mr. RANGEL), has talked about the death tax and why he believes a repeal is not the way to go.

Let me just respond that I think it is very important to be very truthful on what we are dealing with. In the bill that the ranking member discussed, he said that repealing the death tax today would cost $660 billion. That is accurate, but that is not the bill we are talking about. The bill we are talking about today is H.R. 8. The reason we phased it in is because we want to make it easier to accept the loss in revenue over a period of 10 years.

Obviously, at $200 billion over 10 years we are not repealing the tax as rapidly as the gentleman from New York (Mr. RANGEL) has suggested. I mean, if we were and we were doing it today, it would be a lot more expensive because each year some of that revenue is lost that is coming in. That is not the bill we are talking about.

The bill we are talking about today is a phase-out of the death tax over 10 years. It will eventually repeal the death tax. Repeal is where we want to go because we all know that if we leave any portion of this tax intact and we are not on the train toward repeal, this tax will grow back. This tax began in 1916, the fourth time in our Nation's history.

At that time, if one were calculating in today's dollars, the exemption amount that the gentleman from New York (Mr. RANGEL) is putting at $2 million in his bill, his substitute today, the exemption in 1916 is worth $9 million in today's dollars. So I think his bill is a very lethargic way to go at eliminating this burden, and certainly his description of his other bill does not reflect what we are considering today.

Mr. MOAKLEY. Mr. Speaker, I yield 2½ minutes to the gentleman from Wisconsin (Mr. KIND).

(Mr. KIND asked and was given permission to revise and extend his remarks.)

Mr. KIND. Mr. Speaker, I thank my friend, the gentleman from Massachusetts (Mr. MOAKLEY), for yielding me this time.

Mr. Speaker, I rise today in strong support for estate tax relief. The estate tax should be modified to protect family-owned small businesses and family farms from the threat of having to be sold just to pay the tax. It should also be updated to reflect the economic growth many Americans experienced in recent years, but any reform of the estate tax should be fair and fiscally responsible, taking into consideration the impending baby boom generation early next decade and their retirement and not based on highly speculative budget surpluses 11 years from now.

Mr. Speaker, H.R. 8, however, is a weather forecast. I do not believe, it is a fair or fiscally responsible way to go. It is asking the American people to plan their picnics 10 years from now because the economic skies are going to be clear, sunny and bright. Yet in order to pay for it, it is based on projected budget surpluses that may or may not be there 8, 9, 10 years from now.

It has been said that God created economists in order to make weather forecasters look good, and if any family would bet their economic prosperity on surpluses or what will be happening 8, 9 years from now, I would like to meet them. The other thing that it does not take into consideration is something that we do know today, and that is the majority of the surpluses over the next 10 years are coming out of the Social Security and Medicare trust funds. But no one is talking about the second decade, when the baby boom generation starts to retire.

What this graph illustrates is what happens in that second decade. Over the next 10 years, we are running some surpluses in the Social Security and Medicare trust funds, but in the second 10 years we have unfunded liabilities that are going to come due; and by backloading these tax cuts as we are doing with the estate tax, which will not be fully repealed for 10 more years, as we did with the marriage penalty relief, as we did with marginal tax rate relief, we are setting up the next generation of leadership in this body, and we are setting up our children for failure, because they will not be able to have the fiscal resources in order to deal with an aging population and their retirement in the next decade.

The point is this: we could afford as a Nation in 1981 to take the chance with large tax cuts that led to annual structural deficits because back then we only had a trillion dollars worth of debt instead of $5.7 trillion today, and we also back then were not faced with a crisis with the aging population and the impending retirement of baby boomers in the second decade. I am afraid if we embark upon this course of action today with the overall tax plan in this body, we are setting up the next generation of leadership for failure and taking a huge gamble with our children's future by making it impossible

for them to deal with the fiscal realities that we know today we have to contend with tomorrow.

Mr. Speaker, H.R. 8 would fully repeal the estate tax and that I believe is simply unaffordable given the need for debt reduction and all of the competing tax relief and investment priorities that exist and the uncertain surpluses available to pay for them. It is fiscally irresponsible and is so back-loaded that its full repeal cost would not show up until after 2011. It reduces the rates on the largest estates first, while providing no tax relief to the smaller estates, so that estates of less than $2.5 million get no relief until 2004. And once the estate tax is fully repealed, more than half of the benefits would go to the largest 5 percent of estates.

Furthermore, H.R. 8 would cost $192 billion over 10 years. Combined with the first two tax cuts passed by the House this bill raises the total tax cut to $1.55 trillion over 10 years. And including debt service costs, the total budget cost is nearly $2 trillion.

I am concerned, however, that the alternative offered by Representative RANGEL does not go far enough. The alternative would increase the current exclusion to $4 million per couple as of January 1, 2002 and gradually increase the exclusion to reach $5 million at a lower cost of $40 billion over 10 years. While I strongly support the increased exemption effective immediately, I believe that we must go further and lower the estate tax rates, which the alternative bill does not address. This would restore fairness to this area of the tax code in a fiscally responsible manner and it would ensure that those who are most affected by the estate tax are given immediate relief and do not have to wait for a phase-in of benefits that is lengthy and complicated.

While, I am in favor of addressing negative effects of the estate tax, as evidenced by my past votes, I believe that we should also concentrate on using the emerging budget surplus to address our existing obligations, such as investing in education and defense, providing a prescription drug benefit for seniors, shoring up Social Security and Medicare, and paying down the $5.7 trillion national debt.

In January, Federal Reserve Chairman Greenspan testified before the Senate Budget Committee and confirmed that the rosy budget projections are ''subject to a wide range of error.'' He also noted that when considering the emerging budget surplus, ''debt reduction is the best use for the added revenue.'' Nonetheless, the administration and House leadership are still pushing large tax cuts above debt reduction.

Mr. Speaker, reform of the estate tax is a bipartisan issue. My colleagues on both sides of the aisle recognize that the estate tax needs to be reformed and updated. H.R. 8, unfortunately, is not the result of bipartisanship. It is my sincere hope that we will be able to reach a compromise in the conference report that will better address estate tax reform by increasing the exemption to at least $5 million and decreasing the estate tax rates.

Mr. REYNOLDS. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. KELLER).

Mr. KELLER. Mr. Speaker, I thank the gentleman from New York (Mr. REYNOLDS) for yielding me this time.

Mr. Speaker, I rise today in strong support of this important legislation to completely repeal the death tax once and for all. The death tax is itself the leading cause of death for over one-third of small family-owned businesses. Similarly, heart attacks are the leading cause of death among individuals.

It would not surprise me at all if there are some small business owners back in my hometown of Orlando who have almost had heart attacks when they found out that they would have to pay a death tax of 55 percent in order to keep the family business alive.

This is an unfair tax because the money has already been taxed once on the income level. Let me just give one example of the devastating impact the death tax would have on one of my constituents back in Central Florida. Mr. Bruce O'Donohue is the owner of a small family-owned business called Control Specialists in Winter Park, Florida. His company sells and installs traffic lights, and he happens to employ 25 people in his small company.

The company has been in the O'Donohue family for 35 years. If by some unfortunate and tragic accident Mr. O'Donohue and his lovely wife were taken away from us today, his business would collapse under the tax load that he estimates to be nearly half of the business' worth, and Control Specialists would have no choice but to lay off all of its two dozen employees.

It is important for my House colleagues to realize that the death tax does not just affect small business owners. It impacts the families that are employed by small business owners as well.

Now, those who say they like the death tax say that it is needed to bring in money to the Federal Treasury. The truth of the matter is that the Federal Government spends more money to administer the death tax than it brings in.

Repealing the death tax will bring some fairness and common sense into the system and will create an additional 200,000 extra jobs per year, according to the Wall Street Journal. I urge my colleagues to vote yes to completely repeal the death tax once and for all.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. DOGGETT).

Mr. DOGGETT. Mr. Speaker, I thank the gentleman from Massachusetts (Mr. MOAKLEY) for yielding me this time.

Mr. Speaker, this is truly one of the most bizarre debates that we have had here in the House. We are at a time of economic slow down, an economic slow down that began about the time that President Bush began talking down our economy, and so Republicans tell us they want to stimulate the economy. Well, they have about the same chance of reviving the economy with this bill as they do reviving the dead.

□ 1130

This bill is not designed to stimulate the economy; it is designed to stimulate the financial statements of America's billionaires.

Then they parade out the horribles of all the people across America that are subject to the estate tax—all 2 percent of them—the family farms being shut down, the small businesses unable to continue. We Democrats come forward and say, let us get together now to resolve that problem. Let us proceed 8 months from now, in January, to repeal the estate tax for 77 percent of the small number of people that are even subject to the estate tax in this country. Let us eliminate it for small businesses and family farms and eliminate it promptly.

The Republicans say, no, we do not want to do that. We want to ''repeal'' the death tax, and in order to repeal the death tax for the billionaires, we must impose upon and hold hostage every one of these small businesses and family farms that we are so concerned about, we will hold them hostage and make them subject to tax for the next 10 years. We will continue to assess them a 53 percent tax next year and still a 39 percent tax in the year 2010. Republicans are continuing to impose that tax and refusing to exempt one family farm, refusing to save one family business for the next decade here in America, because they are so committed to reducing taxes for the billionaires of this country.

Mr. Speaker, this bill does not have to do with the millions, it has to do with the billions, and the billionaires. They talk about class warfare, they are winning the class warfare. They are saying to the small businesses, to the family farms across this country, we will not do anything about your estate taxes and repeal them all for you next January, as Democrats are ready and eager to do. We are so intent on protecting the billionaires in this society, and we do not care if it wrecks the budget, we do not care if it jeopardizes Social Security and Medicare, we do not care if it undermines our ability to assure educational opportunity for young people in this country; we do not even care if it means imposing the so-called death tax on small businesses and family farms for the next decade, because we will not actually repeal it for anyone until the year 2011. And even though you Democrats, even according to today's Wall Street Journal, offer small businesses and family farms a better way, a better, speedier form of estate tax relief than Republicans, we have to do it the Republican way or no way to assure full benefit and protection for the billionaires. And that is wrong, and that is why the Democratic substitute must be adopted.

Mr. REYNOLDS. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana (Mr. KERNS).

(Mr. KERNS asked and was given permission to revise and extend his remarks.)

Mr. KERNS. Mr. Speaker, I rise in support of the repeal of one of the most unfair taxes in our country. This tax is

known throughout the State of Indiana as the ''death tax.''

I am fortunate to represent Indiana's Seventh Congressional District, and I am pleased to be a cosponsor of this important piece of legislation that will help farmers and business owners throughout Indiana and across the United States.

Currently the Internal Revenue Service can impose high rates on the value of Hoosier family businesses or farms when the owner dies. In order to pay these unfair tax bills, Indiana families are forced to sell their property that has been in families for generations.

The death tax is a form of double taxation. A farmer or small business owner pays taxes throughout his lifetime and is assessed another tax on the value of his property upon his or her death. This is wrong.

Studies indicate a very high likelihood that family businesses do not survive a second generation and have an even smaller chance to make it through a third generation. Now is the time to reverse this trend.

Mr. Speaker, I came to Congress with the intent of working for family-friendly legislation. I believe this bill is a step in the right direction and will help families achieve the American dream. I join the cosponsors in urging my colleagues to support this important piece of legislation.

I can tell my colleagues that back in my district in a little town of Clinton, Indiana, there was an Irish-American family that came to this country and built a business, the Randici family. The entire family has worked their entire life to build that business, and they are not rich, but they have an infrastructure they have built. If we do not repeal this unfair tax, their family will pay the consequences and suffer the consequences.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. KLECZKA).

Mr. KLECZKA. Mr. Speaker, remember the old song, the rich get richer and the poor get poorer? Well, we are about to take a giant step to make that a truism today. People come to the floor today and will say that it is time to eliminate this tax. I ask them, why? It is part of our progressive tax system. Those who are worth the most and make the most pay a little more than the rest of us.

The fact remains that the Republicans have manipulated this issue to the point where not only do they change the name of the tax, for there is no death tax, it is an estate tax, but they have also convinced every American that they are going to pay it, and that's false. The fact is 2 percent of the wealthiest Americans ever are subjected to the estate tax. In the State of Wisconsin, in 1998, there were 45,000 deaths, 45,000 deaths. Of all of those estates, 828 paid a tax. If, in fact, our proposal to raise the exemption to $5 million would pass in the State of Wisconsin, only 51 estates would pay this tax.

Mr. Speaker, I agree with Bill Gates, Sr. He says, do not do this. There is a reason for this tax. And the reason, and I quote him from Senate testimony when he said, ''Without the estate tax,'' Gates told the Senators, ''there would be an aristocracy of wealth that has nothing to do with merit.'' He argued that ''paying the tax is the price of being a U.S. citizen.''

What do we do with the money? We help people like the students that were just in the gallery get to college with Pell grants. But we are told this year we do not have enough money, we cannot provide a sizable increase. We are told for the seniors we cannot afford a drug benefit, but we can spend in this bill today $200 billion for the wealthiest of the wealthy people in this country.

Wealthy people have come forward to us and said, do not do this. This is sheer nonsense. This is not for the working men and women in my district in Milwaukee; this is for the Republican contributors, and it is payback time today, my friends, payback time.

Mr. REYNOLDS. Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, may I inquire of the gentleman from New York (Mr. REYNOLDS), my good friend, how many speakers he has remaining?

Mr. REYNOLDS. Mr. Speaker, I think the minority debate might prompt how many speakers would remain. At this point we could close if the gentleman from Massachusetts is prepared to close.

Mr. MOAKLEY. Mr. Speaker, I yield the balance of my time to the gentleman from Missouri (Mr. GEPHARDT), our Democratic leader.

(Mr. GEPHARDT asked and was given permission to revise and extend his remarks.)

Mr. GEPHARDT. Mr. Speaker, I rise to ask Members to vote against this estate tax bill, and I ask Members to vote for the Democratic alternative that will be sponsored by the gentleman from New York.

I firmly believe that we should cut estate taxes for family farms, for small businesses, and for very wealthy individuals. I think we have the only bill that achieves this goal in a sensible and responsible and evenhanded way. Our bill eliminates taxes for individuals with estates worth more than $2 million, and couples worth more than $4 million. We exempt 99 percent of all farms. As the Wall Street Journal reported today, we give more relief, relief to estates valued at less than $10 million through the year 2008. I quote from the article: ''An estate tax plan by Democrats offers speedier relief than the Republican proposal.''

The Republican bill does not repeal the estate tax for another 10 years and hides the true cost of this tax cut. It is a gimmick. This is not an honest tax cut. It is an attempt to white out the cost and keep the numbers down so they can continue to argue that their tax cut is reasonable when the exact opposite is true.

This bill creates loopholes that people will use to evade income taxes. It is tilted to the top 374 estates in America, and it is so unreasonable, given the other needs in our country and our budget, that many Americans who stand to make the most from the Republican bill do not even support it. The best off in our society have formed a coalition against this Republican proposal. Bill Gates, Sr., Warren Buffett, George Soros and many others have said, do not give us this big tax cut. We do not want a huge windfall. We can afford to pay a reasonable estate tax. We recognize that America is a community, and people who have profited the most, in their view, have a responsibility to give something back.

This is a message of fiscal responsibility, discipline, moderation, and we support it. Today we hit the $2 trillion mark. In less than 3 months, the House of Representatives has passed $2 trillion in tax cuts, including interest. It is so much money, it makes one's head spin. It busts the budget. It gobbles up the available surplus, raids Medicare and Social Security, crowds out all kinds of other priorities.

We will not be able to make the necessary investment in education if we want to give all of our children a first-rate, excellent public education, if we really want to leave no child behind. We will not have the resources to hire more teachers, build more classrooms, create more preschool and after-school programs. We will not have an affordable Medicare prescription drug program. We will not be able to extend the solvency of Medicare and Social Security so it will be there 9 years from now when the baby boomers start coming to ask legitimately for their benefits that they have been paying taxes for years to support.

Now, let me finally say that when we add up these three, we are at $2 trillion. I am told there are more coming, and we are going to get to $3 trillion. I will say one more time for anybody that will listen that what we are doing here is something we did in 1981, and it took us 15 years to correct the problem.

At the time, in the early 1980s, there was a book written by a man by the name of David Stockman called The Triumph of Politics. He was the OMB Director for Ronald Reagan. He served in this body. And the gist of this book is that the mistakes that were made in the early 1980s were very hard to correct and caused immeasurable economic difficulty in this country.

I read from the end of his conclusion in this book at page 394. He is arguing at the end of the book for a tax increase to solve the fiscal problems that we faced. He said, ''In a way, the big tax increase we need will confirm the triumph of politics. But in a democracy, politicians must have the last word once it is clear their course is consistent with the preferences of the electorate.'' He said, ''The abortive Reagan revolution proved that the

American electorate wants a moderate social democracy to shield it from capitalism's rougher edges. Recognition of this in the Oval Office,'' he said, ''is all that stands between a tolerable economic future and one fraught with unprecedented perils.''

I quote David Stockman to this House of Representatives. If we do not learn from history, we are forced to repeat it. This is a mistake that we will pay for for years to come. One can break the tax cut into parts, but one cannot break its effect on the overall deficit and the overall economic policy of this country. We should not make this mistake. We made it before. We do not need to do it again.

We talk about responsibility. We need every citizen in this country to be responsible. But if we expect the people of this country to be responsible, we as the leaders of this country need to be responsible.

Mr. Speaker, enacting this tax cut, along with all the others, is totally irresponsible and should not stand. I beg Members to vote against this proposal and vote for the Democratic proposal, which is responsible, is fair, and is consistent with a low deficit, fiscally responsible policy for this country.

□ 1145

Mr. REYNOLDS. Mr. Speaker, I yield 1 minute to the gentleman from Florida (Mr. GOSS), the distinguished vice-chairman of the Committee on Rules.

(Mr. GOSS asked and was given permission to revise and extend his remarks.)

Mr. GOSS. Mr. Speaker, I thank my colleague for yielding time to me.

Mr. Speaker, I wanted to bring us back to the reality of the vote that is immediately before us, which I presume will be a vote on the rule. I would like to urge support for the rule. I think the Committee on Rules has crafted a very fair and good rule for a matter of this type.

As we did with the budget process, as I recall, we had three Democratic substitutes. In this case, we have two bites at the apple for the Democrats, their substitute and the motion to recommit, so I do not think anybody can say that this is not an extremely fair rule.

I would urge Members' support for the rule, in case there is any confusion about that.

As for the substance of the bill and so forth, I think that the gentleman from Missouri made a very good statement about responsibility. I think that every American craves responsibility to make our country better and look out for our fellow citizens. I think that is an individual responsibility.

I certainly welcome that Mr. Soros and Mr. Buffett and Mr. Gates have the capability and the desire to look out for their citizens and others in the community as their responsibility, not as a mandate from the Federal government.

Mr. REYNOLDS. Mr. Speaker, I yield myself such time as I may consume.

As we now have the rule shortly for a vote, I rarely make a prediction of what this House will do, but I see bipartisan support for the rule, and hope we would achieve that. We see some minority members talk about no repeal, some talk about repealing with their plan, and some cosponsors of H.R. 8 as it comes before us.

This rule is fair, and the underlying legislation as it comes out for further debate today will allow an opportunity for America to judge that. It is no longer a debate of whether there will or will not be a death tax passed out of here and likely signed into law by the President, but how much and how it plays out, based on versions.

That is an important step, because America watched Democratic control with 40 years of big spending, big government. Maybe Mr. Stockman, as quoted by the minority leader, might have spent too much time in the majority-driven Congress of big spending, versus the amount of time seeing the result from 1981 to the year 2000, where we are going to pay down that debt, where we are going to invest in America's future, and we can still give money back to the American people in their pockets, rather than having a big government spender, whether it comes out of Congress or out of the White House, that would drive up spending and taxes for the American people.

This plan is part of the overall plan that puts money back in America's pockets and takes the number one issue of NFIB and the American Farm Bureau and puts it to rest, where it is buried once and for all, and that is elimination of the tax bill.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MOAKLEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

Pursuant to clause 8 of rule XX, this 15-minute vote on House Resolution 111 will be followed by a 5-minute vote on H.R. 642.

The vote was taken by electronic device, and there were—yeas 413, nays 12, not voting 6, as follows:

[Roll No. 80]

YEAS—413

Abercrombie
Ackerman
Aderholt
Akin
Allen
Andrews
Armey
Baca
Bachus
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett
Bartlett
Barton
Bass
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop
Blagojevich
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Castle
Chabot
Chambliss
Clay
Clayton
Clement
Clyburn
Coble
Collins
Combest
Condit
Conyers
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jo Ann
Davis, Tom
Deal
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Dingell
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Ferguson
Flake
Fletcher
Foley
Ford
Fossella
Frank
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Harman
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hilleary
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kerns
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Langevin
Lantos
Largent
Larsen (WA)
Larson (CT)
LaTourette
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Miller, George
Mink
Moakley
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Reyes
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roukema
Roybal-Allard

Royce
Ryan (WI)
Ryun (KS)
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Scarborough
Schaffer
Schakowsky
Schiff
Schrock
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Simmons
Simpson
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spence
Spratt
Stark
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Tierney
Toomey
Towns
Traficant
Turner
Udall (NM)
Upton
Velazquez
Visclosky
Vitter
Walden
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson
Wolf
Wynn
Young (AK)
Young (FL)

NAYS—12

Baird
DeFazio
Filner
Hilliard
Kleczka
Lee
McKinney
Nadler
Owens
Thompson (MS)
Udall (CO)
Wu

NOT VOTING—6

Becerra
Kennedy (RI)
Kirk
Latham
Rush
Woolsey

□ 1208

Mr. STRICKLAND and Ms. SCHAKOWSKY changed their vote from ''nay'' to ''yea.''

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CHESAPEAKE BAY OFFICE OF NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION AUTHORIZATION

The SPEAKER pro tempore (Mr. SUNUNU). The unfinished business is the question of suspending the rules and passing the bill, H.R. 642, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Maryland (Mr. GILCHREST) that the House suspend the rules and pass the bill, H.R. 642, as amended, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 406, nays 13, not voting 12, as follows:

[Roll No. 81]

YEAS—406

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Baca
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett
Bartlett
Barton
Bass
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop
Blagojevich
Blumenauer
Blunt
Boehlert
Bonilla
Bonior
Bono
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cantor
Capito
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Castle
Chabot
Chambliss
Clay
Clayton
Clement
Clyburn
Collins
Combest
Condit
Conyers
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (FL)
Davis (IL)
Davis, Jo Ann
Davis, Tom
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Dingell
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Ferguson
Filner
Fletcher
Foley
Ford
Fossella
Frank
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Harman
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kerns
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Langevin
Lantos
Largent
Larsen (WA)
Larson (CT)
LaTourette
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Miller, George
Mink
Moakley
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Payne
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Reyes
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roukema
Roybal-Allard
Ryan (WI)
Ryun (KS)
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Schakowsky
Schiff
Schrock
Scott
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Simmons
Simpson
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spence
Spratt
Stark
Stenholm
Strickland
Stump
Stupak
Sununu
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Tierney
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Visclosky
Vitter
Walden
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson
Wolf
Wu
Wynn
Young (AK)
Young (FL)

NAYS—13

Akin
Coble
English
Flake
Jones (NC)
Paul
Royce
Scarborough
Schaffer
Sensenbrenner
Stearns
Tancredo
Toomey

NOT VOTING—12

Armey
Becerra
Boehner
Borski
Cannon
Davis (CA)
Kennedy (RI)
Latham
Leach
Rush
Sweeney
Woolsey

□ 1221

Mr. HILLIARD changed his vote from ''nay'' to ''yea.''

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. KIRK. Mr. Speaker, on rollcall No. 81, I voted ''yea.'' The voting machine recorded the vote but I was later informed that it was not recorded. I was present and I voted ''yea.''

DEATH TAX ELIMINATION ACT OF 2001

Mr. THOMAS. Mr. Speaker, pursuant to House Resolution 111, I call up the bill (H.R. 8) to amend the Internal Revenue Code of 1986 to phase out the estate and gift taxes over a 10-year period, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. LINDER). Pursuant to House Resolution 111, the bill is considered read for amendment.

The text of H.R. 8 is as follows:

H.R. 8

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Death Tax Elimination Act''.

TITLE I—REPEAL OF ESTATE, GIFT, AND GENERATION-SKIPPING TAXES.

SEC. 101. PHASEOUT OF ESTATE AND GIFT TAXES.

(a) REPEAL OF ESTATE AND GIFT TAXES.—Subtitle B of the Internal Revenue Code of 1986 (relating to estate and gift taxes) is repealed effective with respect to estates of decedents dying, and gifts made, after December 31, 2010.

(b) PHASEOUT OF TAX.—Subsection (c) of section 2001 of such Code (relating to imposition and rate of tax) is amended by adding at the end the following new paragraph:

''(3) PHASEOUT OF TAX.—In the case of estates of decedents dying, and gifts made, during any calendar year after 2000 and before 2011—

''(A) IN GENERAL.—The tentative tax under this subsection shall be determined by using a table prescribed by the Secretary (in lieu of using the table contained in paragraph (1)) which is the same as such table; except that—

''(i) each of the rates of tax shall be reduced (but not below zero) by the number of percentage points determined under subparagraph (B), and

''(ii) the amounts setting forth the tax shall be adjusted to the extent necessary to reflect the adjustments under clause (i).

''(B) PERCENTAGE POINTS OF REDUCTION.—

''For calendar year:	The number of percentage points is:
2001	5
2002	10
2003	15
2004	20
2005	25
2006	30
2007	35
2008	40
2009	45
2010	50.

''(C) COORDINATION WITH PARAGRAPH (2).—Paragraph (2) shall be applied by reducing the 55 percent percentage contained therein by the number of percentage points determined for such calendar year under subparagraph (B).

''(D) COORDINATION WITH CREDIT FOR STATE DEATH TAXES.—Rules similar to the rules of subparagraph (A) shall apply to the table contained in section 2011(b) except that the number of percentage points referred to in subparagraph (A)(i) shall be determined under the following table:

''For calendar year:	The number of percentage points is:
2001	1½
2002	3
2003	4½
2004	6
2005	7½
2006	9
2007	10½
2008	12
2009	13½
2010	15.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying, and gifts made, after December 31, 2000.

TITLE II—INCREASE IN UNIFIED ESTATE AND GIFT TAX CREDIT

SEC. 201. INCREASE IN UNIFIED ESTATE AND GIFT TAX CREDIT.

(a) IN GENERAL.—The table in subsection (c) of section 2010 of the Internal Revenue Code of 1986 (relating to applicable credit amount) is amended to read as follows:

''In the case of estates of decedents dying, and gifts made, during:	The applicable exclusion amount is:
2001 or thereafter	$1,300,000

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to estates of decedents dying, and gifts made, after December 31, 2000.

SEC. 202. REPEAL OF ESTATE TAX BENEFIT FOR FAMILY-OWNED BUSINESS INTERESTS.

(a) IN GENERAL.—Section 2057 of the Internal Revenue Code of 1986 (relating to family-owned business interests) is hereby repealed.

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (10) of section 2031(c) of such Code is amended by inserting ''(as in effect on the day before the date of the enactment of the Death Tax Elimination Act)'' before the period.

(2) The table of sections for part IV of subchapter A of chapter 11 of such Code is amended by striking the item relating to section 2057.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying, and gifts made, after December 31, 2000.

TITLE III—MODIFICATIONS OF GENERATION-SKIPPING TRANSFER TAX

SEC. 301. DEEMED ALLOCATION OF GST EXEMPTION TO LIFETIME TRANSFERS TO TRUSTS; RETROACTIVE ALLOCATIONS.

(a) IN GENERAL.—Section 2632 of the Internal Revenue Code of 1986 (relating to special rules for allocation of GST exemption) is amended by redesignating subsection (c) as subsection (e) and by inserting after subsection (b) the following new subsections:

''(c) DEEMED ALLOCATION TO CERTAIN LIFETIME TRANSFERS TO GST TRUSTS.—

''(1) IN GENERAL.—If any individual makes an indirect skip during such individual's lifetime, any unused portion of such individual's GST exemption shall be allocated to the property transferred to the extent necessary to make the inclusion ratio for such property zero. If the amount of the indirect skip exceeds such unused portion, the entire unused portion shall be allocated to the property transferred.

''(2) UNUSED PORTION.—For purposes of paragraph (1), the unused portion of an individual's GST exemption is that portion of such exemption which has not previously been—

''(A) allocated by such individual,

''(B) treated as allocated under subsection (b) with respect to a direct skip occurring during or before the calendar year in which the indirect skip is made, or

''(C) treated as allocated under paragraph (1) with respect to a prior indirect skip.

''(3) DEFINITIONS.—

''(A) INDIRECT SKIP.—For purposes of this subsection, the term 'indirect skip' means any transfer of property (other than a direct skip) subject to the tax imposed by chapter 12 made to a GST trust.

''(B) GST TRUST.—The term 'GST trust' means a trust that could have a generation-skipping transfer with respect to the transferor unless—

''(i) the trust instrument provides that more than 25 percent of the trust corpus must be distributed to or may be withdrawn by one or more individuals who are non-skip persons—

''(I) before the date that the individual attains age 46,

''(II) on or before one or more dates specified in the trust instrument that will occur before the date that such individual attains age 46, or

''(III) upon the occurrence of an event that, in accordance with regulations prescribed by the Secretary, may reasonably be expected to occur before the date that such individual attains age 46;

''(ii) the trust instrument provides that more than 25 percent of the trust corpus must be distributed to or may be withdrawn by one or more individuals who are non-skip persons and who are living on the date of death of another person identified in the instrument (by name or by class) who is more than 10 years older than such individuals;

''(iii) the trust instrument provides that, if one or more individuals who are non-skip persons die on or before a date or event described in clause (i) or (ii), more than 25 percent of the trust corpus either must be distributed to the estate or estates of one or more of such individuals or is subject to a general power of appointment exercisable by one or more of such individuals;

''(iv) the trust is a trust any portion of which would be included in the gross estate of a non-skip person (other than the transferor) if such person died immediately after the transfer;

''(v) the trust is a charitable lead annuity trust (within the meaning of section 2642(e)(3)(A)) or a charitable remainder annuity trust or a charitable remainder unitrust (within the meaning of section 664(d)); or

''(vi) the trust is a trust with respect to which a deduction was allowed under section 2522 for the amount of an interest in the form of the right to receive annual payments of a fixed percentage of the net fair market value of the trust property (determined yearly) and which is required to pay principal to a non-skip person if such person is alive when the yearly payments for which the deduction was allowed terminate.

For purposes of this subparagraph, the value of transferred property shall not be considered to be includible in the gross estate of a non-skip person or subject to a right of withdrawal by reason of such person holding a right to withdraw so much of such property as does not exceed the amount referred to in section 2503(b) with respect to any transferor, and it shall be assumed that powers of appointment held by non-skip persons will not be exercised.

''(4) AUTOMATIC ALLOCATIONS TO CERTAIN GST TRUSTS.—For purposes of this subsection, an indirect skip to which section 2642(f) applies shall be deemed to have been made only at the close of the estate tax inclusion period. The fair market value of such transfer shall be the fair market value of the trust property at the close of the estate tax inclusion period.

''(5) APPLICABILITY AND EFFECT.—

''(A) IN GENERAL.—An individual—

''(i) may elect to have this subsection not apply to—

''(I) an indirect skip, or

''(II) any or all transfers made by such individual to a particular trust, and

''(ii) may elect to treat any trust as a GST trust for purposes of this subsection with respect to any or all transfers made by such individual to such trust.

''(B) ELECTIONS.—

''(i) ELECTIONS WITH RESPECT TO INDIRECT SKIPS.—An election under subparagraph (A)(i)(I) shall be deemed to be timely if filed on a timely filed gift tax return for the calendar year in which the transfer was made or deemed to have been made pursuant to paragraph (4) or on such later date or dates as may be prescribed by the Secretary.

''(ii) OTHER ELECTIONS.—An election under clause (i)(II) or (ii) of subparagraph (A) may be made on a timely filed gift tax return for the calendar year for which the election is to become effective.

''(d) RETROACTIVE ALLOCATIONS.—

''(1) IN GENERAL.—If—

''(A) a non-skip person has an interest or a future interest in a trust to which any transfer has been made,

''(B) such person—

''(i) is a lineal descendant of a grandparent of the transferor or of a grandparent of the transferor's spouse or former spouse, and

''(ii) is assigned to a generation below the generation assignment of the transferor, and

''(C) such person predeceases the transferor,

then the transferor may make an allocation of any of such transferor's unused GST exemption to any previous transfer or transfers to the trust on a chronological basis.

''(2) SPECIAL RULES.—If the allocation under paragraph (1) by the transferor is made on a gift tax return filed on or before the date prescribed by section 6075(b) for gifts made within the calendar year within which the non-skip person's death occurred—

''(A) the value of such transfer or transfers for purposes of section 2642(a) shall be determined as if such allocation had been made on a timely filed gift tax return for each calendar year within which each transfer was made,

''(B) such allocation shall be effective immediately before such death, and

''(C) the amount of the transferor's unused GST exemption available to be allocated shall be determined immediately before such death.

''(3) FUTURE INTEREST.—For purposes of this subsection, a person has a future interest in a trust if the trust may permit income or corpus to be paid to such person on a date or dates in the future.''.

(b) CONFORMING AMENDMENT.—Paragraph (2) of section 2632(b) of such Code is amended by striking ''with respect to a direct skip'' and inserting ''or subsection (c)(1)''.

(c) EFFECTIVE DATES.—

(1) DEEMED ALLOCATION.—Section 2632(c) of the Internal Revenue Code of 1986 (as added by subsection (a)), and the amendment made by subsection (b), shall apply to transfers subject to chapter 11 or 12 made after December 31, 1999, and to estate tax inclusion periods ending after December 31, 1999.

(2) RETROACTIVE ALLOCATIONS.—Section 2632(d) of the Internal Revenue Code of 1986 (as added by subsection (a)) shall apply to deaths of non-skip persons occurring after December 31, 1999.

SEC. 302. SEVERING OF TRUSTS.

(a) IN GENERAL.—Subsection (a) of section 2642 of the Internal Revenue Code of 1986 (relating to inclusion ratio) is amended by adding at the end the following new paragraph:

''(3) SEVERING OF TRUSTS.—

''(A) IN GENERAL.—If a trust is severed in a qualified severance, the trusts resulting from such severance shall be treated as separate trusts thereafter for purposes of this chapter.

''(B) QUALIFIED SEVERANCE.—For purposes of subparagraph (A)—

''(i) IN GENERAL.—The term 'qualified severance' means the division of a single trust and the creation (by any means available under the governing instrument or under local law) of two or more trusts if—

''(I) the single trust was divided on a fractional basis, and

''(II) the terms of the new trusts, in the aggregate, provide for the same succession of interests of beneficiaries as are provided in the original trust.

''(ii) TRUSTS WITH INCLUSION RATIO GREATER THAN ZERO.—If a trust has an inclusion ratio of greater than zero and less than 1, a severance is a qualified severance only if the single trust is divided into two trusts, one of which receives a fractional share of the total value of all trust assets equal to the applicable fraction of the single trust immediately before the severance. In such case, the trust receiving such fractional share shall have an inclusion ratio of zero and the other trust shall have an inclusion ratio of 1.

''(iii) REGULATIONS.—The term 'qualified severance' includes any other severance permitted under regulations prescribed by the Secretary.

''(C) TIMING AND MANNER OF SEVERANCES.—A severance pursuant to this paragraph may be made at any time. The Secretary shall prescribe by forms or regulations the manner in which the qualified severance shall be reported to the Secretary.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to severances after December 31, 1999.

SEC. 303. MODIFICATION OF CERTAIN VALUATION RULES.

(a) GIFTS FOR WHICH GIFT TAX RETURN FILED OR DEEMED ALLOCATION MADE.—Paragraph (1) of section 2642(b) of such Code (relating to valuation rules, etc.) is amended to read as follows:

''(1) GIFTS FOR WHICH GIFT TAX RETURN FILED OR DEEMED ALLOCATION MADE.—If the allocation of the GST exemption to any transfers of property is made on a gift tax return filed on or before the date prescribed by section 6075(b) for such transfer or is deemed to be made under section 2632 (b)(1) or (c)(1)—

''(A) the value of such property for purposes of subsection (a) shall be its value as finally determined for purposes of chapter 12 (within the meaning of section 2001(f)(2)), or, in the case of an allocation deemed to have been made at the close of an estate tax inclusion period, its value at the time of the close of the estate tax inclusion period, and

''(B) such allocation shall be effective on and after the date of such transfer, or, in the case of an allocation deemed to have been made at the close of an estate tax inclusion period, on and after the close of such estate tax inclusion period.''.

(b) TRANSFERS AT DEATH.—Subparagraph (A) of section 2642(b)(2) of such Code is amended to read as follows:

''(A) TRANSFERS AT DEATH.—If property is transferred as a result of the death of the transferor, the value of such property for purposes of subsection (a) shall be its value as finally determined for purposes of chapter 11; except that, if the requirements prescribed by the Secretary respecting allocation of post-death changes in value are not met, the value of such property shall be determined as of the time of the distribution concerned.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers subject to chapter 11 or 12 of the Internal Revenue Code of 1986 made after December 31, 1999.

SEC. 304. RELIEF PROVISIONS.

(a) IN GENERAL.—Section 2642 of such Code is amended by adding at the end the following new subsection:

''(g) RELIEF PROVISIONS.—

''(1) RELIEF FROM LATE ELECTIONS.—

''(A) IN GENERAL.—The Secretary shall by regulation prescribe such circumstances and procedures under which extensions of time will be granted to make—

''(i) an allocation of GST exemption described in paragraph (1) or (2) of subsection (b), and

''(ii) an election under subsection (b)(3) or (c)(5) of section 2632.

Such regulations shall include procedures for requesting comparable relief with respect to transfers made before the date of the enactment of this paragraph.

''(B) BASIS FOR DETERMINATIONS.—In determining whether to grant relief under this paragraph, the Secretary shall take into account all relevant circumstances, including evidence of intent contained in the trust instrument or instrument of transfer and such other factors as the Secretary deems relevant. For purposes of determining whether to grant relief under this paragraph, the time for making the allocation (or election) shall be treated as if not expressly prescribed by statute.

''(2) SUBSTANTIAL COMPLIANCE.—An allocation of GST exemption under section 2632 that demonstrates an intent to have the lowest possible inclusion ratio with respect to a transfer or a trust shall be deemed to be an allocation of so much of the transferor's unused GST exemption as produces the lowest possible inclusion ratio. In determining whether there has been substantial compliance, all relevant circumstances shall be taken into account, including evidence of intent contained in the trust instrument or instrument of transfer and such other factors as the Secretary deems relevant.''.

(b) EFFECTIVE DATES.—

(1) RELIEF FROM LATE ELECTIONS.—Section 2642(g)(1) of the Internal Revenue Code of 1986 (as added by subsection (a)) shall apply to requests pending on, or filed after, December 31, 1999.

(2) SUBSTANTIAL COMPLIANCE.—Section 2642(g)(2) of such Code (as so added) shall apply to transfers subject to chapter 11 or 12 of the Internal Revenue Code of 1986 made after December 31, 1999. No implication is intended with respect to the availability of relief from late elections or the application of a rule of substantial compliance on or before such date.

TITLE IV—EXTENSION OF TIME FOR PAYMENT OF ESTATE TAX

SEC. 401. INCREASE IN NUMBER OF ALLOWABLE PARTNERS AND SHAREHOLDERS IN CLOSELY HELD BUSINESSES.

(a) IN GENERAL.—Paragraphs (1)(B)(ii), (1)(C)(ii), and (9)(B)(iii)(I) of section 6166(b) of the Internal Revenue Code of 1986 (relating to definitions and special rules) are each amended by striking ''15'' and inserting ''75''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying, and gifts made, after December 31, 2000.

The SPEAKER pro tempore. The amendment printed in the bill is adopted.

The text of H.R. 8, as amended, is as follows:

H.R. 8

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; ETC.

(a) SHORT TITLE.—This Act may be cited as the ''Death Tax Elimination Act of 2001''.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) TABLE OF CONTENTS.—

Sec. 1. Short title; etc.

TITLE I—REPEAL OF ESTATE, GIFT, AND GENERATION-SKIPPING TAXES

Sec. 101. Repeal of estate, gift, and generation-skipping taxes.

TITLE II—REDUCTIONS OF ESTATE AND GIFT TAX RATES PRIOR TO REPEAL

Sec. 201. Additional reductions of estate and gift tax rates.

TITLE III—UNIFIED CREDIT REPLACED WITH UNIFIED EXEMPTION AMOUNT

Sec. 301. Unified credit against estate and gift taxes replaced with unified exemption amount.

TITLE IV—CARRYOVER BASIS AT DEATH; OTHER CHANGES TAKING EFFECT WITH REPEAL

Sec. 401. Termination of step-up in basis at death.

Sec. 402. Treatment of property acquired from a decedent dying after December 31, 2010.

TITLE V—CONSERVATION EASEMENTS

Sec. 501. Expansion of estate tax rule for conservation easements.

TITLE VI—MODIFICATIONS OF GENERATION-SKIPPING TRANSFER TAX

Sec. 601. Deemed allocation of GST exemption to lifetime transfers to trusts; retroactive allocations.

Sec. 602. Severing of trusts.

Sec. 603. Modification of certain valuation rules.

Sec. 604. Relief provisions.

TITLE VII—EXTENSION OF TIME FOR PAYMENT OF ESTATE TAX

Sec. 701. Increase in number of allowable partners and shareholders in closely held businesses.

TITLE I—REPEAL OF ESTATE, GIFT, AND GENERATION-SKIPPING TAXES

SEC. 101. REPEAL OF ESTATE, GIFT, AND GENERATION-SKIPPING TAXES.

(a) IN GENERAL.—Subtitle B is hereby repealed.

(b) EFFECTIVE DATE.—The repeal made by subsection (a) shall apply to the estates of decedents dying, and gifts and generation-skipping transfers made, after December 31, 2010.

TITLE II—REDUCTIONS OF ESTATE AND GIFT TAX RATES PRIOR TO REPEAL

SEC. 201. ADDITIONAL REDUCTIONS OF ESTATE AND GIFT TAX RATES.

(a) MAXIMUM RATE OF TAX REDUCED TO 50 PERCENT.—

(1) IN GENERAL.—The table contained in section 2001(c)(1) is amended by striking the two highest brackets and inserting the following:

''Over $2,500,000 ..... $1,025,800, plus 50% of the excess over $2,500,000.''.

(2) PHASE-IN OF REDUCED RATE.—Subsection (c) of section 2001 is amended by adding at the end the following new paragraph:

''(3) PHASE-IN OF REDUCED RATE.—In the case of decedents dying, and gifts made, during 2002, the last item in the table contained in paragraph (1) shall be applied by substituting '53%' for '50%'.''.

(b) REPEAL OF PHASEOUT OF GRADUATED RATES.—Subsection (c) of section 2001 is amended by striking paragraph (2) and redesignating paragraph (3), as added by subsection (a), as paragraph (2).

(c) ADDITIONAL REDUCTIONS OF RATES OF TAX.—Subsection (c) of section 2001, as so amended, is amended by adding at the end the following new paragraph:

''(3) PHASEDOWN OF TAX.—In the case of estates of decedents dying, and gifts made, during any calendar year after 2003 and before 2011—

''(A) IN GENERAL.—Except as provided in subparagraph (C), the tentative tax under this subsection shall be determined by using a table prescribed by the Secretary (in lieu of using the table contained in paragraph (1)) which is the same as such table; except that—

''(i) each of the rates of tax shall be reduced by the number of percentage points determined under subparagraph (B), and

''(ii) the amounts setting forth the tax shall be adjusted to the extent necessary to reflect the adjustments under clause (i).

''(B) PERCENTAGE POINTS OF REDUCTION.—

"For calendar year:	The number of percentage points is:
2004	1.0
2005	2.0
2006	3.0
2007	5.0
2008	7.0
2009	9.0
2010	11.0.

''(C) COORDINATION WITH INCOME TAX RATES.—The reductions under subparagraph (A)—

''(i) shall not reduce any rate under paragraph (1) below the lowest rate in section 1(c) applicable to the taxable year which includes the date of death (or, in the case of a gift, the date of the gift), and

''(ii) shall not reduce the highest rate under paragraph (1) below the highest rate in section 1(c) for such taxable year.

''(D) COORDINATION WITH CREDIT FOR STATE DEATH TAXES.—Rules similar to the rules of subparagraph (A) shall apply to the table contained in section 2011(b) except that the Secretary shall prescribe percentage point reductions which maintain the proportionate relationship (as in effect before any reduction under this paragraph) between the credit under section 2011 and the tax rates under subsection (c).''.

(d) EFFECTIVE DATES.—

(1) SUBSECTIONS (a) AND (b).—The amendments made by subsections (a) and (b) shall apply to estates of decedents dying, and gifts made, after December 31, 2001.

(2) SUBSECTION (c).—The amendment made by subsection (c) shall apply to estates of decedents dying, and gifts made, after December 31, 2003.

TITLE III—UNIFIED CREDIT REPLACED WITH UNIFIED EXEMPTION AMOUNT

SEC. 301. UNIFIED CREDIT AGAINST ESTATE AND GIFT TAXES REPLACED WITH UNIFIED EXEMPTION AMOUNT.

(a) IN GENERAL.—

(1) ESTATE TAX.—Subsection (b) of section 2001 (relating to computation of tax) is amended to read as follows:

''(b) COMPUTATION OF TAX.—

''(1) IN GENERAL.—The tax imposed by this section shall be the amount equal to the excess (if any) of—

''(A) the tentative tax determined under paragraph (2), over

''(B) the aggregate amount of tax which would have been payable under chapter 12 with respect to gifts made by the decedent after December 31, 1976, if the provisions of subsection (c) (as in effect at the decedent's death) had been applicable at the time of such gifts.

''(2) TENTATIVE TAX.—For purposes of paragraph (1), the tentative tax determined under this paragraph is a tax computed under subsection (c) on the excess of—

''(A) the sum of—

''(i) the amount of the taxable estate, and

''(ii) the amount of the adjusted taxable gifts, over

''(B) the exemption amount for the calendar year in which the decedent died.

''(3) EXEMPTION AMOUNT.—For purposes of paragraph (2), the term 'exemption amount' means the amount determined in accordance with the following table:

"In the case of calendar year:	The exemption amount is:
2002 and 2003	$700,000
2004	$850,000
2005	$950,000
2006 or thereafter	$1,000,000.

''(4) ADJUSTED TAXABLE GIFTS.—For purposes of paragraph (2), the term 'adjusted taxable gifts' means the total amount of the taxable gifts (within the meaning of section 2503) made by the decedent after December 31, 1976, other than gifts which are includible in the gross estate of the decedent.''.

(2) GIFT TAX.—Subsection (a) of section 2502 (relating to computation of tax) is amended to read as follows:

''(a) COMPUTATION OF TAX.—

''(1) IN GENERAL.—The tax imposed by section 2501 for each calendar year shall be the amount equal to the excess (if any) of—

''(A) the tentative tax determined under paragraph (2) for such calendar year, over

''(B) the aggregate amount of tax that would have been payable under this chapter with respect to gifts made by the donor in preceding calendar periods if the tax had been computed under the provisions of section 2001(c) as in effect for such calendar year.

''(2) TENTATIVE TAX.—For purposes of paragraph (1), the tentative tax determined under this paragraph for a calendar year is a tax computed under section 2001(c) on the excess of—

''(A) the aggregate sum of the taxable gifts for such calendar year and for each of the preceding calendar periods, over

''(B) the exemption amount under section 2001(b)(3) for such calendar year.''.

(b) REPEAL OF UNIFIED CREDITS.—

(1) Section 2010 (relating to unified credit against estate tax) is hereby repealed.

(2) Section 2505 (relating to unified credit against gift tax) is hereby repealed.

(c) CONFORMING AMENDMENTS.—

(1)(A) Subsection (b) of section 2011 is amended—

(i) by striking ''adjusted'' in the table; and

(ii) by striking the last sentence.

(B) Subsection (f) of section 2011 is amended by striking '', reduced by the amount of the unified credit provided by section 2010''.

(2) Subsection (a) of section 2012 is amended by striking ''and the unified credit provided by section 2010''.

(3) Subparagraph (A) of section 2013(c)(1) is amended by striking ''2010,''.

(4) Paragraph (2) of section 2014(b) is amended by striking ''2010, 2011,'' and inserting ''2011''.

(5) Clause (ii) of section 2056A(b)(12)(C) is amended to read as follows:

''(ii) to treat any reduction in the tax imposed by paragraph (1)(A) by reason of the credit allowable under section 2010 (as in effect on the day before the date of the enactment of the Death Tax Elimination Act of 2001) or the exemption amount allowable under section 2001(b) with respect to the decedent as a credit under section 2505 (as so in effect) or exemption under section 2501 (as the case may be) allowable to such surviving spouse for purposes of determining the amount of the exemption allowable under section 2501 with respect to taxable gifts made by the surviving spouse during the year in which the spouse becomes a citizen or any subsequent year,''.

(6) Subsection (a) of section 2057 is amended by striking paragraphs (2) and (3) and inserting the following new paragraph:

''(2) MAXIMUM DEDUCTION.—The deduction allowed by this section shall not exceed the excess of $1,300,000 over the exemption amount (as defined in section 2001(b)(3)).''.

(7) Subsection (b) of section 2101 is amended to read as follows:

''(b) COMPUTATION OF TAX.—

''(1) IN GENERAL.—The tax imposed by this section shall be the amount equal to the excess (if any) of—

''(A) the tentative tax determined under paragraph (2), over

''(B) a tentative tax computed under section 2001(c) on the amount of the adjusted taxable gifts.

''(2) TENTATIVE TAX.—For purposes of paragraph (1), the tentative tax determined under this paragraph is a tax computed under section 2001(c) on the excess of—

''(A) the sum of—

''(i) the amount of the taxable estate, and

''(ii) the amount of the adjusted taxable gifts, over

''(B) the exemption amount for the calendar year in which the decedent died.

''(3) EXEMPTION AMOUNT.—

''(A) IN GENERAL.—The term 'exemption amount' means $60,000.

''(B) RESIDENTS OF POSSESSIONS OF THE UNITED STATES.—In the case of a decedent who is considered to be a nonresident not a citizen of the United States under section 2209, the exemption amount under this paragraph shall be the greater of—

''(i) $60,000, or

''(ii) that proportion of $175,000 which the value of that part of the decedent's gross estate which at the time of his death is situated in the United States bears to the value of his entire gross estate wherever situated.

''(C) SPECIAL RULES.—

''(i) COORDINATION WITH TREATIES.—To the extent required under any treaty obligation of

the United States, the exemption amount allowed under this paragraph shall be equal to the amount which bears the same ratio to the exemption amount under section 2001(b)(3) (for the calendar year in which the decedent died) as the value of the part of the decedent's gross estate which at the time of his death is situated in the United States bears to the value of his entire gross estate wherever situated. For purposes of the preceding sentence, property shall not be treated as situated in the United States if such property is exempt from the tax imposed by this subchapter under any treaty obligation of the United States.

''(ii) COORDINATION WITH GIFT TAX EXEMPTION AND UNIFIED CREDIT.—If an exemption has been allowed under section 2501 (or a credit has been allowed under section 2505 as in effect on the day before the date of the enactment of the Death Tax Elimination Act of 2001) with respect to any gift made by the decedent, each dollar amount contained in subparagraph (A) or (B) or the exemption amount applicable under clause (i) of this subparagraph (whichever applies) shall be reduced by the exemption so allowed under section 2501 (or, in the case of such a credit, by the amount of the gift for which the credit was so allowed).''.

(8) Section 2102 is amended by striking subsection (c).

(9)(A) Paragraph (1) of section 2107(a) is amended by striking ''the table contained in''.

(B) Paragraph (1) of section 2107(c) is amended to read as follows:

''(1) EXEMPTION AMOUNT.—For purposes of subsection (a), the exemption amount under section 2001 shall be $60,000.''

(C) Paragraph (3) of section 2107(c) is amended by striking the second sentence.

(D) The heading of subsection (c) of section 2107 is amended to read as follows:

''(c) EXEMPTION AMOUNT AND CREDITS.—''.

(10) Paragraph (1) of section 6018(a) is amended by striking ''the applicable exclusion amount in effect under section 2010(c)'' and inserting ''the exemption amount under section 2001(b)(3)''.

(11) Subparagraph (A) of section 6601(j)(2) is amended to read as follows:

''(A) the amount of the tentative tax which would be determined under the rate schedule set forth in section 2001(c) if the amount with respect to which such tentative tax is to be computed were $1,000,000, or''.

(12) The table of sections for part II of subchapter A of chapter 11 is amended by striking the item relating to section 2010.

(13) The table of sections for subchapter A of chapter 12 is amended by striking the item relating to section 2505.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying and gifts made after December 31, 2001.

TITLE IV—CARRYOVER BASIS AT DEATH; OTHER CHANGES TAKING EFFECT WITH REPEAL

SEC. 401. TERMINATION OF STEP-UP IN BASIS AT DEATH.

Section 1014 (relating to basis of property acquired from a decedent) is amended by adding at the end the following new subsection:

''(f) TERMINATION.—This section shall not apply with respect to decedents dying after December 31, 2010.''.

SEC. 402. TREATMENT OF PROPERTY ACQUIRED FROM A DECEDENT DYING AFTER DECEMBER 31, 2010.

(a) GENERAL RULE.—Part II of subchapter O of chapter 1 (relating to basis rules of general application) is amended by inserting after section 1021 the following new section:

''SEC. 1022. TREATMENT OF PROPERTY ACQUIRED FROM A DECEDENT DYING AFTER DECEMBER 31, 2010.

''(a) IN GENERAL.—Except as otherwise provided in this section—

''(1) property acquired from a decedent dying after December 31, 2010, shall be treated for purposes of this subtitle as transferred by gift, and

''(2) the basis of the person acquiring property from such a decedent shall be the lesser of—

''(A) the adjusted basis of the decedent, or

''(B) the fair market value of the property at the date of the decedent's death.

''(b) BASIS INCREASE FOR CERTAIN PROPERTY.—

''(1) IN GENERAL.—In the case of property to which this subsection applies, the basis of such property under subsection (a) shall be increased by its basis increase under this subsection.

''(2) BASIS INCREASE.—For purposes of this subsection—

''(A) IN GENERAL.—The basis increase under this subsection for any property is the portion of the aggregate basis increase which is allocated to the property pursuant to this section.

''(B) AGGREGATE BASIS INCREASE.—In the case of any estate, the aggregate basis increase under this subsection is $1,300,000.

''(C) LIMIT INCREASED BY UNUSED BUILT-IN LOSSES AND LOSS CARRYOVERS.—The limitation under subparagraph (B) shall be increased by—

''(i) the sum of the amount of any capital loss carryover under section 1212(b), and the amount of any net operating loss carryover under section 172, which would (but for the decedent's death) be carried from the decedent's last taxable year to a later taxable year of the decedent, plus

''(ii) the sum of the amount of any losses that would have been allowable under section 165 if the property acquired from the decedent had been sold at fair market value immediately before the decedent's death.

''(3) DECEDENT NONRESIDENTS WHO ARE NOT CITIZENS OF THE UNITED STATES.—In the case of a decedent nonresident not a citizen of the United States—

''(A) paragraph (2)(B) shall be applied by substituting '$60,000' for '$1,300,000', and

''(B) paragraph (2)(C) shall not apply.

''(c) ADDITIONAL BASIS INCREASE FOR PROPERTY ACQUIRED BY SURVIVING SPOUSE.—

''(1) IN GENERAL.—In the case of property to which this subsection applies and which is qualified spousal property, the basis of such property under subsection (a) (as increased, if any, under subsection (b)) shall be increased by its spousal property basis increase.

''(2) SPOUSAL PROPERTY BASIS INCREASE.—For purposes of this subsection—

''(A) IN GENERAL.—The spousal property basis increase for property referred to in paragraph (1) is the portion of the aggregate spousal property basis increase which is allocated to the property pursuant to this section.

''(B) AGGREGATE SPOUSAL PROPERTY BASIS INCREASE.—In the case of any estate, the aggregate spousal property basis increase is $3,000,000.

''(3) QUALIFIED SPOUSAL PROPERTY.—For purposes of this subsection, the term 'qualified spousal property' means—

''(A) outright transfer property, and

''(B) qualified terminable interest property.

''(4) OUTRIGHT TRANSFER PROPERTY.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'outright transfer property' means any interest in property acquired from the decedent by the decedent's surviving spouse.

''(B) EXCEPTION.—Subparagraph (A) shall not apply where, on the lapse of time, on the occurrence of an event or contingency, or on the failure of an event or contingency to occur, an interest passing to the surviving spouse will terminate or fail—

''(i)(I) if an interest in such property passes or has passed (for less than an adequate and full consideration in money or money's worth) from the decedent to any person other than such surviving spouse (or the estate of such spouse), and

''(II) if by reason of such passing such person (or his heirs or assigns) may possess or enjoy any part of such property after such termination or failure of the interest so passing to the surviving spouse, or

''(ii) if such interest is to be acquired for the surviving spouse, pursuant to directions of the decedent, by his executor or by the trustee of a trust.

For purposes of this subparagraph, an interest shall not be considered as an interest which will terminate or fail merely because it is the ownership of a bond, note, or similar contractual obligation, the discharge of which would not have the effect of an annuity for life or for a term.

''(C) INTEREST OF SPOUSE CONDITIONAL ON SURVIVAL FOR LIMITED PERIOD.—For purposes of this paragraph, an interest passing to the surviving spouse shall not be considered as an interest which will terminate or fail on the death of such spouse if—

''(i) such death will cause a termination or failure of such interest only if it occurs within a period not exceeding 6 months after the decedent's death, or only if it occurs as a result of a common disaster resulting in the death of the decedent and the surviving spouse, or only if it occurs in the case of either such event; and

''(ii) such termination or failure does not in fact occur.

''(5) QUALIFIED TERMINABLE INTEREST PROPERTY.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'qualified terminable interest property' means property—

''(i) which passes from the decedent, and

''(ii) in which the surviving spouse has a qualifying income interest for life.

''(B) QUALIFYING INCOME INTEREST FOR LIFE.—The surviving spouse has a qualifying income interest for life if—

''(i) the surviving spouse is entitled to all the income from the property, payable annually or at more frequent intervals, or has a usufruct interest for life in the property, and

''(ii) no person has a power to appoint any part of the property to any person other than the surviving spouse.

Clause (ii) shall not apply to a power exercisable only at or after the death of the surviving spouse. To the extent provided in regulations, an annuity shall be treated in a manner similar to an income interest in property (regardless of whether the property from which the annuity is payable can be separately identified).

''(C) PROPERTY INCLUDES INTEREST THEREIN.—The term 'property' includes an interest in property.

''(D) SPECIFIC PORTION TREATED AS SEPARATE PROPERTY.—A specific portion of property shall be treated as separate property. For purposes of the preceding sentence, the term 'specific portion' only includes a portion determined on a fractional or percentage basis.

''(d) DEFINITIONS AND SPECIAL RULES FOR APPLICATION OF SUBSECTIONS (b) AND (c).—

''(1) PROPERTY TO WHICH SUBSECTIONS (b) AND (c) APPLY.—

''(A) IN GENERAL.—The basis of property acquired from a decedent may be increased under subsection (b) or (c) only if the property was owned by the decedent at the time of death.

''(B) RULES RELATING TO OWNERSHIP.—

''(i) JOINTLY HELD PROPERTY.—In the case of property which was owned by the decedent and another person as joint tenants with right of survivorship or tenants by the entirety—

''(I) if the only such other person is the surviving spouse, the decedent shall be treated as the owner of only 50 percent of the property,

''(II) in any case (to which subclause (I) does not apply) in which the decedent furnished consideration for the acquisition of the property, the decedent shall be treated as the owner to the extent of the portion of the property which is proportionate to such consideration, and

''(III) in any case (to which subclause (I) does not apply) in which the property has been acquired by gift, bequest, devise, or inheritance by the decedent and any other person as joint tenants with right of survivorship and their interests are not otherwise specified or fixed by law,

the decedent shall be treated as the owner to the extent of the value of a fractional part to be determined by dividing the value of the property by the number of joint tenants with right of survivorship.

''(ii) REVOCABLE TRUSTS.—The decedent shall be treated as owning property transferred by the decedent during life to a revocable trust to pay all of the income during the decedent's life to the decedent or at the direction of the decedent.

''(iii) POWERS OF APPOINTMENT.—The decedent shall not be treated as owning any property by reason of holding a power of appointment with respect to such property.

''(iv) COMMUNITY PROPERTY.—Property which represents the surviving spouse's one-half share of community property held by the decedent and the surviving spouse under the community property laws of any State or possession of the United States or any foreign country shall be treated for purposes of this section as owned by, and acquired from, the decedent if at least one-half of the whole of the community interest in such property is treated as owned by, and acquired from, the decedent without regard to this clause.

''(C) PROPERTY ACQUIRED BY DECEDENT BY GIFT WITHIN 3 YEARS OF DEATH.—

''(i) IN GENERAL.—Subsections (b) and (c) shall not apply to property acquired by the decedent by gift or by inter vivos transfer for less than adequate and full consideration in money or money's worth during the 3-year period ending on the date of the decedent's death.

''(ii) EXCEPTION FOR CERTAIN GIFTS FROM SPOUSE.—Clause (i) shall not apply to property acquired by the decedent from the decedent's spouse unless, during such 3-year period, such spouse acquired the property in whole or in part by gift or by inter vivos transfer for less than adequate and full consideration in money or money's worth.

''(D) STOCK OF CERTAIN ENTITIES.—Subsections (b) and (c) shall not apply to—

''(i) stock or securities a foreign personal holding company,

''(ii) stock of a DISC or former DISC,

''(iii) stock of a foreign investment company, or

''(iv) stock of a passive foreign investment company unless such company is a qualified electing fund (as defined in section 1295) with respect to the decedent.

''(2) FAIR MARKET VALUE LIMITATION.—The adjustments under subsection (b) and (c) shall not increase the basis of any interest in property acquired from the decedent above its fair market value in the hands of the decedent as of the date of the decedent's death.

''(3) ALLOCATION RULES.—

''(A) IN GENERAL.—The executor shall allocate the adjustments under subsections (b) and (c) on the return required by section 6018.

''(B) CHANGES IN ALLOCATION.—Any allocation made pursuant to subparagraph (A) may be changed only as provided by the Secretary.

''(4) INFLATION ADJUSTMENT OF BASIS ADJUSTMENT AMOUNTS.—

''(A) IN GENERAL.—In the case of decedents dying in a calendar year after 2011, the $1,300,000, $60,000, and $3,000,000 dollar amounts in subsections (b) and (c)(2)(B) shall each be increased by an amount equal to the product of—

''(i) such dollar amount, and

''(ii) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year, determined by substituting '2010' for '1992' in subparagraph (B) thereof.

''(B) ROUNDING.—If any increase determined under subparagraph (A) is not a multiple of—

''(i) $100,000 in the case of the $1,300,000 amount,

''(ii) $5,000 in the case of the $60,000 amount, and

''(iii) $250,000 in the case of the $3,000,000 amount,

such increase shall be rounded to the next lowest multiple thereof.

''(e) PROPERTY ACQUIRED FROM THE DECEDENT.—For purposes of this section, the following property shall be considered to have been acquired from the decedent:

''(1) Property acquired by bequest, devise, or inheritance, or by the decedent's estate from the decedent.

''(2) Property transferred by the decedent during his lifetime in trust to pay the income for life to or on the order or direction of the decedent, with the right reserved to the decedent at all times before his death—

''(A) to revoke the trust, or

''(B) to make any change in the enjoyment thereof through the exercise of a power to alter, amend, or terminate the trust.

''(3) Any other property passing from the decedent by reason of death to the extent that such property passed without consideration.

''(f) COORDINATION WITH SECTION 691.—This section shall not apply to property which constitutes a right to receive an item of income in respect of a decedent under section 691.

''(g) CERTAIN LIABILITIES DISREGARDED.—In determining whether gain is recognized on the acquisition of property—

''(1) from a decedent by a decedent's estate or any beneficiary, and

''(2) from the decedent's estate by any beneficiary,

and in determining the adjusted basis of such property, liabilities in excess of basis shall be disregarded.

''(h) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section.''.

(b) INFORMATION RETURNS, ETC.—

(1) IN GENERAL.—Subpart C of part II of subchapter A of chapter 61 is amended to read as follows:

''Subpart C—Returns Relating to Transfers During Life or at Death

''Sec. 6018. Returns relating to large transfers at death.

''Sec. 6019. Returns relating to large lifetime gifts.

''SEC. 6018. RETURNS RELATING TO LARGE TRANSFERS AT DEATH.

''(a) IN GENERAL.—If this section applies to property acquired from a decedent, the executor of the estate of such decedent shall make a return containing the information specified in subsection (c) with respect to such property.

''(b) PROPERTY TO WHICH SECTION APPLIES.—

''(1) LARGE TRANSFERS.—This section shall apply to all property (other than cash) acquired from a decedent if the fair market value of such property acquired from the decedent exceeds the dollar amount applicable under section 1022(b)(2)(B) (without regard to section 1022(b)(2)(C)).

''(2) TRANSFERS OF CERTAIN GIFTS RECEIVED BY DECEDENT WITHIN 3 YEARS OF DEATH.—This section shall apply to any appreciated property acquired from the decedent if—

''(A) subsections (b) and (c) of section 1022 do not apply to such property by reason of section 1022(d)(1)(C), and

''(B) such property was required to be included on a return required to be filed under section 6019.

''(3) NONRESIDENTS NOT CITIZENS OF THE UNITED STATES.—In the case of a decedent who is a nonresident not a citizen of the United States, paragraphs (1) and (2) shall be applied—

''(A) by taking into account only—

''(i) tangible property situated in the United States, and

''(ii) other property acquired from the decedent by a United States person, and

''(B) by substituting the dollar amount applicable under section 1022(b)(3) for the dollar amount referred to in paragraph (1).

''(4) RETURNS BY TRUSTEES OR BENEFICIARIES.—If the executor is unable to make a complete return as to any property acquired from or passing from the decedent, the executor shall include in the return a description of such property and the name of every person holding a legal or beneficial interest therein. Upon notice from the Secretary such person shall in like manner make a return as to such property.

''(c) INFORMATION REQUIRED TO BE FURNISHED.—The information specified in this subsection with respect to any property acquired from the decedent is—

''(1) the name and TIN of the recipient of such property,

''(2) an accurate description of such property,

''(3) the adjusted basis of such property in the hands of the decedent and its fair market value at the time of death,

''(4) the decedent's holding period for such property,

''(5) sufficient information to determine whether any gain on the sale of the property would be treated as ordinary income,

''(6) the amount of basis increase allocated to the property under subsection (b) or (c) of section 1022, and

''(7) such other information as the Secretary may by regulations prescribe.

''(d) PROPERTY ACQUIRED FROM DECEDENT.—For purposes of this section, section 1022 shall apply for purposes of determining the property acquired from a decedent.

''(e) STATEMENTS TO BE FURNISHED TO CERTAIN PERSONS.—Every person required to make a return under subsection (a) shall furnish to each person whose name is required to be set forth in such return (other than the person required to make such return) a written statement showing—

''(1) the name, address, and phone number of the person required to make such return, and

''(2) the information specified in subsection (c) with respect to property acquired from, or passing from, the decedent to the person required to receive such statement.

The written statement required under the preceding sentence shall be furnished not later than 30 days after the date that the return required by subsection (a) is filed.

''SEC. 6019. RETURNS RELATING TO LARGE LIFETIME GIFTS.

''(a) IN GENERAL.—If the value of the aggregate gifts of property made by an individual to any United States person during a calendar year exceeds $25,000, such individual shall make a return for such year setting forth—

''(1) the name and TIN of the donee,

''(2) an accurate description of such property,

''(3) the adjusted basis of such property in the hands of the donor at the time of the gift,

''(4) the donor's holding period for such property,

''(5) sufficient information to determine whether any gain on the sale of the property would be treated as ordinary income, and

''(6) such other information as the Secretary may by regulations prescribe.

''(b) EXCEPTIONS.—Subsection (a) shall not apply to—

''(1) CASH.—Any gift of cash.

''(2) GIFTS TO CHARITY.—Any gift to an organization described in section 501(c) and exempt from tax under section 501(a) but only if no interest in the property is held for the benefit of any person other than such an organization.

''(3) WAIVER OF CERTAIN PENSION RIGHTS individual waives, before the death of a participant, any survivor benefit, or right to such benefit, under section 401(a)(11) or 417, subsection (a) shall not apply to such waiver.

''(4) REPORTING ELSEWHERE.—Any gift required to be reported to the Secretary under any other provision of this title.

''(c) STATEMENTS TO BE FURNISHED TO CERTAIN PERSONS.—Every person required to make a return under subsection (a) shall furnish to each person whose name is required to be set forth in such return a written statement showing—

''(1) the name, address, and phone number of the person required to make such return, and

''(2) the information specified in subsection (a) with respect to property received by the person required to receive such statement.

The written statement required under the preceding sentence shall be furnished on or before January 31 of the year following the calendar year for which the return under subsection (a) was required to be made.''

(2) TIME FOR FILING SECTION 6018 RETURNS.—

(A) RETURNS RELATING TO LARGE TRANSFERS AT DEATH.—Subsection (a) of section 6075 is amended to read as follows:

''(a) RETURNS RELATING TO LARGE TRANSFERS AT DEATH.—The return required by section 6018 with respect to a decedent shall be filed with the return of the tax imposed by chapter 1 for the decedent's last taxable year or such later date specified in regulations prescribed by the Secretary.''

(B) RETURNS RELATING TO LARGE LIFETIME GIFTS.—

(i) The heading for section 6075(b) is amended to read as follows:

''(b) RETURNS RELATING TO LARGE LIFETIME GIFTS.—''.

(ii) Paragraph (1) of section 6075(b) is amended by striking ''(relating to gift taxes)'' and inserting ''(relating to returns relating to large lifetime gifts)''.

(iii) Paragraph (3) of section 6075(b) is amended—

(I) by striking ''ESTATE TAX RETURN'' and inserting ''SECTION 6018 RETURN'', and

(II) by striking ''(relating to estate tax returns)'' and inserting ''(relating to returns relating to large transfers at death)''.

(3) PENALTIES.—Part I of subchapter B of chapter 68 (relating to assessable penalties) is amended by adding at the end the following new section:

''SEC. 6716. FAILURE TO FILE INFORMATION WITH RESPECT TO CERTAIN TRANSFERS AT DEATH AND GIFTS.

''(a) INFORMATION REQUIRED TO BE FURNISHED TO THE SECRETARY.—Any person required to furnish any information under section 6018 or 6019 who fails to furnish such information on the date prescribed therefor (determined with regard to any extension of time for filing) shall pay a penalty of $10,000 ($500 in the case of information required to be furnished under section 6018(b)(2) or 6019) for each such failure.

''(b) INFORMATION REQUIRED TO BE FURNISHED TO BENEFICIARIES.—Any person required to furnish in writing to each person described in section 6018(e) or 6019(c) the information required under such section who fails to furnish such information shall pay a penalty of $50 for each such failure.

''(c) REASONABLE CAUSE EXCEPTION.—No penalty shall be imposed under subsection (a) or (b) with respect to any failure if it is shown that such failure is due to reasonable cause.

''(d) INTENTIONAL DISREGARD.—If any failure under subsection (a) or (b) is due to intentional disregard of the requirements under sections 6018 and 6019, the penalty under such subsection shall be 5 percent of the fair market value (as of the date of death or, in the case of section 6019, the date of the gift) of the property with respect to which the information is required.

''(e) DEFICIENCY PROCEDURES NOT TO APPLY.—Subchapter B of chapter 63 (relating to deficiency procedures for income, estate, gift, and certain excise taxes) shall not apply in respect of the assessment or collection of any penalty imposed by this section.''

(4) CLERICAL AMENDMENTS.—

(A) The table of sections for part I of subchapter B of chapter 68 is amended by adding at the end the following new item:

''Sec. 6716. Failure to file information with respect to certain transfers at death and gifts.''

(B) The item relating to subpart C in the table of subparts for part II of subchapter A of chapter 61 is amended to read as follows:

''Subpart C. Returns relating to transfers during life or at death.''

(c) EXCLUSION OF GAIN ON SALE OF PRINCIPAL RESIDENCE MADE AVAILABLE TO HEIR OF DECEDENT IN CERTAIN CASES.—Subsection (d) of section 121 (relating to exclusion of gain from sale of principal residence) is amended by adding at the end the following new paragraph:

''(9) PROPERTY ACQUIRED FROM A DECEDENT.—The exclusion under this section shall apply to property sold by—

''(A) the estate of a decedent, and

''(B) any individual who acquired such property from the decedent (within the meaning of section 1022),

determined by taking into account the ownership and use by the decedent.''

(d) TRANSFERS OF APPRECIATED CARRYOVER BASIS PROPERTY TO SATISFY PECUNIARY BEQUEST.—

(1) IN GENERAL.—Section 1040 (relating to transfer of certain farm, etc., real property) is amended to read as follows:

''SEC. 1040. USE OF APPRECIATED CARRYOVER BASIS PROPERTY TO SATISFY PECUNIARY BEQUEST.

''(a) IN GENERAL.—If the executor of the estate of any decedent satisfies the right of any person to receive a pecuniary bequest with appreciated property, then gain on such exchange shall be recognized to the estate only to the extent that, on the date of such exchange, the fair market value of such property exceeds such value on the date of death.

''(b) SIMILAR RULE FOR CERTAIN TRUSTS.—To the extent provided in regulations prescribed by the Secretary, a rule similar to the rule provided in subsection (a) shall apply where—

''(1) by reason of the death of the decedent, a person has a right to receive from a trust a specific dollar amount which is the equivalent of a pecuniary bequest, and

''(2) the trustee of a trust satisfies such right with property.

''(c) BASIS OF PROPERTY ACQUIRED IN EXCHANGE DESCRIBED IN SUBSECTION (a) OR (b).—The basis of property acquired in an exchange with respect to which gain realized is not recognized by reason of subsection (a) or (b) shall be the basis of such property immediately before the exchange increased by the amount of the gain recognized to the estate or trust on the exchange.''

(2) The item relating to section 1040 in the table of sections for part III of subchapter O of chapter 1 is amended to read as follows:

''Sec. 1040. Use of appreciated carryover basis property to satisfy pecuniary bequest.''

(e) ANTI-ABUSE RULES.—Section 7701 is amended by redesignating subsection (n) as subsection (o) and by inserting after subsection (m) the following new subsection:

''(n) PURPORTED GIFTS MAY BE DISREGARDED.—For purposes of subtitle A, the Secretary may treat a transfer which purports to be a gift as having never been transferred if, in connection with such transfer—

''(1)(A) the transferor (or any person related to or designated by the transferor or such person) has received anything of value in connection with such transfer from the transferee directly or indirectly, or

''(B) there is an understanding or expectation that the transferor (or such person) will receive anything of value in connection with such transfer from the transferee directly or indirectly, and

''(2) the Secretary determines that such treatment is appropriate to prevent avoidance of tax imposed by subtitle A.''

(f) MISCELLANEOUS AMENDMENTS RELATED TO CARRYOVER BASIS.—

(1) RECOGNITION OF GAIN ON TRANSFERS TO NONRESIDENTS.—

(A) Subsection (a) of section 684 is amended by inserting ''or to a nonresident not a citizen of the United States'' after ''or trust''.

''(B) Subsection (b) of section 684 is amended by striking ''any person'' and inserting ''any United States person''.

(C) The section heading for section 684 is amended by inserting ''**AND NONRESIDENT ALIENS**'' after ''**ESTATES**''.

(D) The item relating to section 684 in the table of sections for subpart F of part I of subchapter J of chapter 1 is amended by inserting ''and nonresident aliens'' after ''estates''.

(2) CAPITAL GAIN TREATMENT FOR INHERITED ART WORK OR SIMILAR PROPERTY.—

(A) IN GENERAL.—Subparagraph (C) of section 1221(a)(3) (defining capital asset) is amended by inserting ''(other than by reason of section 1022)'' after ''is determined''.

(B) COORDINATION WITH SECTION 170.—Paragraph (1) of section 170(e) (relating to certain contributions of ordinary income and capital gain property) is amended by adding at the end the following: ''For purposes of this paragraph, the determination of whether property is a capital asset shall be made without regard to the exception contained in section 1221(a)(3)(C) for basis determined under section 1022.''.

(3) DEFINITION OF EXECUTOR.—Section 7701(a) (relating to definitions) is amended by adding at the end the following:

''(47) EXECUTOR.—The term 'executor' means the executor or administrator of the decedent, or, if there is no executor or administrator appointed, qualified, and acting within the United States, then any person in actual or constructive possession of any property of the decedent.''.

(4) CERTAIN TRUSTS.—Subparagraph (A) of section 4947(a)(2) is amended by inserting ''642(c),'' after ''170(f)(2)(B),''.

(5) OTHER AMENDMENTS.—

(A) Section 1246 is amended by striking subsection (e).

(B) Subsection (e) of section 1291 is amended—

(i) by striking ''(e),'', and

(ii) by striking ''; except that'' and all that follows and inserting a period.

(C) Section 1296 is amended by striking subsection (i).

(6) CLERICAL AMENDMENT.—The table of sections for part II of subchapter O of chapter 1 is amended by inserting after the item relating to section 1021 the following new item:

''Sec. 1022. Treatment of property acquired from a decedent dying after December 31, 2010.''.

(g) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to estates of decedents dying after December 31, 2010.

(2) PURPORTED GIFTS, ETC.—The amendments made by subsections (e) and (f)(1) shall apply to transfers after December 31, 2010.

(3) SECTION 4947.—The amendment made by subsection (f)(4) shall apply to deductions for taxable years beginning after December 31, 2010.

(h) STUDY.—The Secretary of the Treasury or the Secretary's delegate shall conduct a study of—

(1) opportunities for avoidance of the income tax, if any, and

(2) potential increases in income tax revenues, by reason of the enactment of this Act. The study shall be submitted to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate not later than December 31, 2002.

TITLE V—CONSERVATION EASEMENTS

SEC. 501. EXPANSION OF ESTATE TAX RULE FOR CONSERVATION EASEMENTS.

(a) WHERE LAND IS LOCATED.—Clause (i) of section 2031(c)(8)(A) (defining land subject to a conservation easement) is amended—

(1) by striking ''25 miles'' each place it appears and inserting ''50 miles''; and

(2) striking ''10 miles'' and inserting ''25 miles''.

(b) CLARIFICATION OF DATE FOR DETERMINING VALUE OF LAND AND EASEMENT.—Section 2031(c)(2) (defining applicable percentage) is amended by adding at the end the following new sentence: ''The values taken into account under the preceding sentence shall be such values as of the date of the contribution referred to in paragraph (8)(B).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying after December 31, 2000.

TITLE VI—MODIFICATIONS OF GENERATION-SKIPPING TRANSFER TAX

SEC. 601. DEEMED ALLOCATION OF GST EXEMPTION TO LIFETIME TRANSFERS TO TRUSTS; RETROACTIVE ALLOCATIONS.

(a) IN GENERAL.—Section 2632 (relating to special rules for allocation of GST exemption) is amended by redesignating subsection (c) as subsection (e) and by inserting after subsection (b) the following new subsections:

''(c) DEEMED ALLOCATION TO CERTAIN LIFETIME TRANSFERS TO GST TRUSTS.—

''(1) IN GENERAL.—If any individual makes an indirect skip during such individual's lifetime, any unused portion of such individual's GST exemption shall be allocated to the property transferred to the extent necessary to make the inclusion ratio for such property zero. If the amount of the indirect skip exceeds such unused portion, the entire unused portion shall be allocated to the property transferred.

''(2) UNUSED PORTION.—For purposes of paragraph (1), the unused portion of an individual's GST exemption is that portion of such exemption which has not previously been—

''(A) allocated by such individual,

''(B) treated as allocated under subsection (b) with respect to a direct skip occurring during or before the calendar year in which the indirect skip is made, or

''(C) treated as allocated under paragraph (1) with respect to a prior indirect skip.

''(3) DEFINITIONS.—

''(A) INDIRECT SKIP.—For purposes of this subsection, the term 'indirect skip' means any transfer of property (other than a direct skip) subject to the tax imposed by chapter 12 made to a GST trust.

''(B) GST TRUST.—The term 'GST trust' means a trust that could have a generation-skipping transfer with respect to the transferor unless—

''(i) the trust instrument provides that more than 25 percent of the trust corpus must be distributed to or may be withdrawn by one or more individuals who are non-skip persons—

''(I) before the date that the individual attains age 46,

''(II) on or before one or more dates specified in the trust instrument that will occur before the date that such individual attains age 46, or

''(III) upon the occurrence of an event that, in accordance with regulations prescribed by the Secretary, may reasonably be expected to occur before the date that such individual attains age 46;

''(ii) the trust instrument provides that more than 25 percent of the trust corpus must be distributed to or may be withdrawn by one or more individuals who are non-skip persons and who are living on the date of death of another person identified in the instrument (by name or by class) who is more than 10 years older than such individuals;

''(iii) the trust instrument provides that, if one or more individuals who are non-skip persons die on or before a date or event described in clause (i) or (ii), more than 25 percent of the trust corpus either must be distributed to the estate or estates of one or more of such individuals or is subject to a general power of appointment exercisable by one or more of such individuals;

''(iv) the trust is a trust any portion of which would be included in the gross estate of a non-skip person (other than the transferor) if such person died immediately after the transfer;

''(v) the trust is a charitable lead annuity trust (within the meaning of section 2642(e)(3)(A)) or a charitable remainder annuity trust or a charitable remainder unitrust (within the meaning of section 664(d)); or

''(vi) the trust is a trust with respect to which a deduction was allowed under section 2522 for the amount of an interest in the form of the right to receive annual payments of a fixed percentage of the net fair market value of the trust property (determined yearly) and which is required to pay principal to a non-skip person if such person is alive when the yearly payments for which the deduction was allowed terminate.

For purposes of this subparagraph, the value of transferred property shall not be considered to be includible in the gross estate of a non-skip person or subject to a right of withdrawal by reason of such person holding a right to withdraw so much of such property as does not exceed the amount referred to in section 2503(b) with respect to any transferor, and it shall be assumed that powers of appointment held by non-skip persons will not be exercised.

''(4) AUTOMATIC ALLOCATIONS TO CERTAIN GST TRUSTS.—For purposes of this subsection, an indirect skip to which section 2642(f) applies shall be deemed to have been made only at the close of the estate tax inclusion period. The fair market value of such transfer shall be the fair market value of the trust property at the close of the estate tax inclusion period.

''(5) APPLICABILITY AND EFFECT.—

''(A) IN GENERAL.—An individual—

''(i) may elect to have this subsection not apply to—

''(I) an indirect skip, or

''(II) any or all transfers made by such individual to a particular trust, and

''(ii) may elect to treat any trust as a GST trust for purposes of this subsection with respect to any or all transfers made by such individual to such trust.

''(B) ELECTIONS.—

''(i) ELECTIONS WITH RESPECT TO INDIRECT SKIPS.—An election under subparagraph (A)(i)(I) shall be deemed to be timely if filed on a timely filed gift tax return for the calendar year in which the transfer was made or deemed to have been made pursuant to paragraph (4) or on such later date or dates as may be prescribed by the Secretary.

''(ii) OTHER ELECTIONS.—An election under clause (i)(II) or (ii) of subparagraph (A) may be made on a timely filed gift tax return for the calendar year for which the election is to become effective.

''(d) RETROACTIVE ALLOCATIONS.—

''(1) IN GENERAL.—If—

''(A) a non-skip person has an interest or a future interest in a trust to which any transfer has been made,

''(B) such person—

''(i) is a lineal descendant of a grandparent of the transferor or of a grandparent of the transferor's spouse or former spouse, and

''(ii) is assigned to a generation below the generation assignment of the transferor, and

''(C) such person predeceases the transferor,

then the transferor may make an allocation of any of such transferor's unused GST exemption to any previous transfer or transfers to the trust on a chronological basis.

''(2) SPECIAL RULES.—If the allocation under paragraph (1) by the transferor is made on a gift tax return filed on or before the date prescribed by section 6075(b) for gifts made within the calendar year within which the non-skip person's death occurred—

''(A) the value of such transfer or transfers for purposes of section 2642(a) shall be determined as if such allocation had been made on a timely filed gift tax return for each calendar year within which each transfer was made,

''(B) such allocation shall be effective immediately before such death, and

''(C) the amount of the transferor's unused GST exemption available to be allocated shall be determined immediately before such death.

''(3) FUTURE INTEREST.—For purposes of this subsection, a person has a future interest in a trust if the trust may permit income or corpus to be paid to such person on a date or dates in the future.''.

(b) CONFORMING AMENDMENT.—Paragraph (2) of section 2632(b) is amended by striking ''with respect to a prior direct skip'' and inserting ''or subsection (c)(1)''.

(c) EFFECTIVE DATES.—

(1) DEEMED ALLOCATION.—Section 2632(c) of the Internal Revenue Code of 1986 (as added by subsection (a)), and the amendment made by subsection (b), shall apply to transfers subject to chapter 11 or 12 made after December 31, 2000, and to estate tax inclusion periods ending after December 31, 2000.

(2) RETROACTIVE ALLOCATIONS.—Section 2632(d) of the Internal Revenue Code of 1986 (as added by subsection (a)) shall apply to deaths of non-skip persons occurring after December 31, 2000.

SEC. 602. SEVERING OF TRUSTS.

(a) IN GENERAL.—Subsection (a) of section 2642 (relating to inclusion ratio) is amended by adding at the end the following new paragraph:

''(3) SEVERING OF TRUSTS.—

''(A) IN GENERAL.—If a trust is severed in a qualified severance, the trusts resulting from such severance shall be treated as separate trusts thereafter for purposes of this chapter.

''(B) QUALIFIED SEVERANCE.—For purposes of subparagraph (A)—

''(i) IN GENERAL.—The term 'qualified severance' means the division of a single trust and the creation (by any means available under the governing instrument or under local law) of two or more trusts if—

''(I) the single trust was divided on a fractional basis, and

''(II) the terms of the new trusts, in the aggregate, provide for the same succession of interests of beneficiaries as are provided in the original trust.

''(ii) TRUSTS WITH INCLUSION RATIO GREATER THAN ZERO.—If a trust has an inclusion ratio of greater than zero and less than 1, a severance is a qualified severance only if the single trust is divided into two trusts, one of which receives a fractional share of the total value of all trust assets equal to the applicable fraction of the single trust immediately before the severance. In such case, the trust receiving such fractional share shall have an inclusion ratio of zero and the other trust shall have an inclusion ratio of 1.

''(iii) REGULATIONS.—The term 'qualified severance' includes any other severance permitted under regulations prescribed by the Secretary.

''(C) TIMING AND MANNER OF SEVERANCES.—A severance pursuant to this paragraph may be made at any time. The Secretary shall prescribe by forms or regulations the manner in which the qualified severance shall be reported to the Secretary.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to severances after December 31, 2000.

SEC. 603. MODIFICATION OF CERTAIN VALUATION RULES.

(a) GIFTS FOR WHICH GIFT TAX RETURN FILED OR DEEMED ALLOCATION MADE.—Paragraph (1) of section 2642(b) (relating to valuation rules, etc.) is amended to read as follows:

''(1) GIFTS FOR WHICH GIFT TAX RETURN FILED OR DEEMED ALLOCATION MADE.—If the allocation of the GST exemption to any transfers of property is made on a gift tax return filed on or before the date prescribed by section 6075(b) for such transfer or is deemed to be made under section 2632 (b)(1) or (c)(1)—

''(A) the value of such property for purposes of subsection (a) shall be its value as finally determined for purposes of chapter 12 (within the meaning of section 2001(f)(2)), or, in the case of an allocation deemed to have been made at the close of an estate tax inclusion period, its value

at the time of the close of the estate tax inclusion period, and

''(B) such allocation shall be effective on and after the date of such transfer, or, in the case of an allocation deemed to have been made at the close of an estate tax inclusion period, on and after the close of such estate tax inclusion period.''.

(b) TRANSFERS AT DEATH.—Subparagraph (A) of section 2642(b)(2) is amended to read as follows:

''(A) TRANSFERS AT DEATH.—If property is transferred as a result of the death of the transferor, the value of such property for purposes of subsection (a) shall be its value as finally determined for purposes of chapter 11; except that, if the requirements prescribed by the Secretary respecting allocation of post-death changes in value are not met, the value of such property shall be determined as of the time of the distribution concerned.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers subject to chapter 11 or 12 of the Internal Revenue Code of 1986 made after December 31, 2000.

SEC. 604. RELIEF PROVISIONS.

(a) IN GENERAL.—Section 2642 is amended by adding at the end the following new subsection:

''(g) RELIEF PROVISIONS.—

''(1) RELIEF FROM LATE ELECTIONS.—

''(A) IN GENERAL.—The Secretary shall by regulation prescribe such circumstances and procedures under which extensions of time will be granted to make—

''(i) an allocation of GST exemption described in paragraph (1) or (2) of subsection (b), and

''(ii) an election under subsection (b)(3) or (c)(5) of section 2632.

Such regulations shall include procedures for requesting comparable relief with respect to transfers made before the date of the enactment of this paragraph.

''(B) BASIS FOR DETERMINATIONS.—In determining whether to grant relief under this paragraph, the Secretary shall take into account all relevant circumstances, including evidence of intent contained in the trust instrument or instrument of transfer and such other factors as the Secretary deems relevant. For purposes of determining whether to grant relief under this paragraph, the time for making the allocation (or election) shall be treated as if not expressly prescribed by statute.

''(2) SUBSTANTIAL COMPLIANCE.—An allocation of GST exemption under section 2632 that demonstrates an intent to have the lowest possible inclusion ratio with respect to a transfer or a trust shall be deemed to be an allocation of so much of the transferor's unused GST exemption as produces the lowest possible inclusion ratio. In determining whether there has been substantial compliance, all relevant circumstances shall be taken into account, including evidence of intent contained in the trust instrument or instrument of transfer and such other factors as the Secretary deems relevant.''.

(b) EFFECTIVE DATES.—

(1) RELIEF FROM LATE ELECTIONS.—Section 2642(g)(1) of the Internal Revenue Code of 1986 (as added by subsection (a)) shall apply to requests pending on, or filed after, December 31, 2000.

(2) SUBSTANTIAL COMPLIANCE.—Section 2642(g)(2) of such Code (as so added) shall apply to transfers subject to chapter 11 or 12 of the Internal Revenue Code of 1986 made after December 31, 2000. No implication is intended with respect to the availability of relief from late elections or the application of a rule of substantial compliance on or before such date.

TITLE VII—EXTENSION OF TIME FOR PAYMENT OF ESTATE TAX

SEC. 701. INCREASE IN NUMBER OF ALLOWABLE PARTNERS AND SHAREHOLDERS IN CLOSELY HELD BUSINESSES.

(a) IN GENERAL.—Paragraphs (1)(B)(ii), (1)(C)(ii), and (9)(B)(iii)(I) of section 6166(b) (relating to definitions and special rules) are each amended by striking ''15'' and inserting ''45''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying after December 31, 2001.

The SPEAKER pro tempore. After 1 hour of debate on the bill, as amended, it shall be in order to consider a further amendment printed in House Report 107–39, if offered by the gentleman from New York (Mr. RANGEL) or his designee, which shall be considered read, and shall be debatable for 60 minutes, equally divided and controlled by the proponent and an opponent.

The gentleman from California (Mr. THOMAS) and the gentleman from New York (Mr. RANGEL) each will control 30 minutes of debate on the bill.

The Chair recognizes the gentleman from California (Mr. THOMAS).

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume.

(Mr. THOMAS asked and was given permission to revise and extend his remarks.)

Mr. THOMAS. Mr. Speaker, as my colleagues and I get into this discussion of H.R. 8 and the Democratic substitute, we ought not to lose sight of the fundamentals in this debate. H.R. 8 repeals the estate or death tax; and the Democratic substitute does not.

I was interested in the minority leader's discussion under the rule in which he quoted David Stockman, a former Member, Chief of the Office of Management and Budget under President Reagan, in his book Triumph of Politics. I found it interesting because I was in the minority at the time, and the minority leader was in the majority. I was mentioned in Mr. Stockman's book, and so I am very familiar with the context and the times in which that took place. The one point that I think needs to be referenced was the fact that it was a Democratically-controlled House and a Republican Presidency. Mr. Speaker, that is entirely different than the situation that we find here today with a Republican House and a Republican President.

Mr. Speaker, then-Speaker Tip O'Neill ordered his lieutenants, chairman of the Committee on Ways and Means Danny Rostenkowski and others, to win at any cost was the approach to legislating. It was to make sure that you are not second in spending or in tax cuts.

Mr. Speaker, when you have that kind of a climate of win at any cost, it is no wonder that we had an enormous increase in spending and significant tax cuts at the same time. That was the problem from the early 1980s. And the reason I say that historical reference is absolutely useless today is because we have a Republican House and a Republican President.

Contrast the win-at-any-cost strategy of then-Speaker O'Neill to the current strategy under the gentleman from Illinois (Speaker HASTERT), and that is orderly movement of the President's program through the Committee on Ways and Means, that I am privileged to chair, onto the floor and off the floor, at the same time that we just passed the budget, which was prudent in the way in which it allowed discretionary spending to increase at about 4 percent a year.

Mr. Speaker, we are now at the stage of presenting to you a piece of legislation which passed the House with significant bipartisan support last year. The argument will continue to be we cannot do it, it is too much, the future is not clear, do not do it.

Not once did the majority use that argument when they were in the majority, enormously increasing spending and increasing tax cuts, when, in fact, we were in a deficit structure. Now that we are in a surplus, those words ring rather hollow, unless, of course, your argument is defeat at any cost, which apparently appears to be the approach the Democrats are taking today.

What we saw last week on the floor with the marriage penalty reduction and child credit is that it just does not work because, I am pleased to say, most of the Members look at the content of the legislation and make up their minds.

Mr. Speaker, that is the way that decisions ought to be made in the House of Representatives, and I hope that is going to be the case on this piece of legislation. If Members look at the fact that H.R. 8 repeals the estate or death tax, and the Democrat substitute does not, at the end of the day what you will see is a bipartisan vote, a majority bipartisan vote, in favor of H.R. 8.

Mr. Speaker, I ask unanimous consent that the gentlewoman from Washington (Ms. DUNN) control the balance of my time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, if I understand the gentleman from California (Mr. THOMAS), the chairman of the Committee on Ways and Means' explanation of the bill, it is somehow that he was forced to sit in the back of the plane during the time that Speaker O'Neill was here and Dan Rostenkowski was chairman, and now he is going to get even.

As relates to the legislation before us, my colleague says just read it, because he certainly did not attempt to explain it. The gentleman did say, however, that this is basically the same bill that passed the House in the last session. That is very, very, very strange, because the Joint Committee on Taxation said if the same bill was to go into effect this year, it would cost us in revenue $662 billion. Now, I looked at the President's $1.6 trillion tax cut, and already they have spent $958 billion for rate reductions, another $400 billion for marriage penalty and child credit, so I wondered how they were going to fit $662 billion tax cut and estate repeal into the last wedge

that only left $200 billion; and they did it. By God, they did it.

Mr. Speaker, the only thing is that they are saying that their legislation does not take effect for another 10 years. When you are 70 years old like I am, those other 10 years, that is a long way away; but I think it is the Republican health plan. Do not die in the next 10 years if you want to protect your kids and your estate.

Mr. Speaker, why do you not do this; why do you not support the Democratic plan today? We bring about instant relief, at least for most of the people who have estates less than $5 million. And then maybe in 10 years you can come back again and see who is it that you left behind. In other words, we cannot have legislation for estates that leave no billionaire behind; we cover everybody, darn near, except about 6,300 people. So why do you not do the right thing by farmers and business people?

If they read the legislation like the gentleman from California (Mr. THOMAS) suggested, you will see that we are on the right side. Read the editorials and tax analysis. They know this is the right thing to do. Do not hold hostage all of the smaller estates only because you want to get everybody instant relief 10 years from now. Give them relief today and vote for the Democratic substitute.

□ 1230

Mr. Speaker, I hope we do have a bipartisan solution to this real problem that we face. I hope that this is not a continuation of what the Republicans call class warfare. I hope we are able to say that we are going to be responsible with a tax cut that fits into at least some type of a budgetary restraint. I reserve the balance of my time to just sit back and listen as to how they are going to get this size 12 foot into a size 6 shoe.

Mr. Speaker, I reserve the balance of my time.

Ms. DUNN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, only in America are we confronted with a certificate at birth, a license at marriage, and a bill at death. I rise today in support of H.R. 8, the Death Tax Elimination Act. Americans spend most of their adult lives paying taxes in various forms. We have an opportunity today to do something good for American businesses and families by ending the practice of paying a tax that is triggered only by death.

Why do we talk about repeal instead of about the exemption level that the gentleman from New York (Mr. RANGEL) has suggested? The reason is that if you do not repeal this tax, it will grow back. This tax began in 1916. A Democrat President, Woodrow Wilson, started this tax. It was the fourth time in history this tax existed. Before, always for fewer than 8 years to fund a war and then it was phased out. This time, the government got its hand in the people's pocket and it never took it out. I will tell you one other thing, Mr. Speaker. From 1916 to now if you calculated today's dollars and the exemption level in 1916, you would come out at $9 million in 1916. So our substitute is very, very unfair to people who are trying to do the right thing by providing for their retirement.

Critics of repeal often ask, why not just increase the exemption? The Democratic bill raises the exemption to $2 million. This is an arbitrary number. It rewards winners and losers arbitrarily. It is especially harmful to businesses that are capital rich and cash poor. Trucking companies, grocery stores, hardware stores, family-held newspapers and family farms would all easily exceed the $2 million exemption. In fact, a recent study of black-owned businesses found that 60 percent of black-owned firms are valued at over $2 million. The opposition claims that only 2 percent of Americans who die pay this tax. It does not begin to take into consideration the cost of compliance during the lives of those people, the cost of paying for life insurance policies and estate plans, or it does not take into consideration how many of those businesses sell off before the owner dies because they cannot afford to pay the death tax.

What about providing a special exemption for small businesses and farms? Our experience with the current exemption proves this to be a very poor choice. It is too complicated. It is too onerous. In fact, we tried with the best of intentions in 1997 to provide such an exemption. It was so complicated to be able to reflect family relationships in legislative language that only 3 to 5 percent of family businesses were able to qualify for this exemption.

Not only is this a repeal that we can afford, it is a repeal that will boost economic growth. A recent study by economist Allen Sinai shows that if the death tax were repealed, GDP could increase by $150 billion over 10 years and lead to 165,000 new jobs.

And it makes sense. The dollars that are being used to pay estate taxes and pay for compliance could be used to hire more people or provide health benefits. The assumption is confirmed by a recent survey of women business owners where 60 percent of the respondents indicated that the death tax will hurt expansion plans. Minority business owners recognize the death tax as a bad tax. It is a threat to their legacy. They say, and this is why it is endorsed by the Black Chamber of Commerce, that it takes about three generations to build a family business, to allow them to have a standing and a foothold in their community. They say that the death tax is an enemy, an obstacle that will keep these fledgling businesses from being able to survive. That is why the Black Chamber of Commerce and the Hispanic Chamber of Commerce supports our bill on the floor today.

People who oppose repeal like to claim that it will only benefit the rich. We know this is untrue. This is a tax that punishes good behavior and savings. It is a tax on virtue. It is a tax on the people who work hard, pay attention to their savings, provide for themselves so they do not have to lean on the government during their retirement and in most cases have already paid taxes once, maybe two times.

We need to promote business growth and not limit it. We need to encourage savings. I ask my colleagues to support the repeal of this tax.

Mr. Speaker, I reserve the balance of my time.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. STARK), a senior member of the Committee on Ways and Means.

(Mr. STARK asked and was given permission to revise and extend his remarks.)

Mr. STARK. I thank the distinguished ranking member for yielding me this time.

Mr. Speaker, I would like to point out, to my children and to anybody who is paying attention to this debate, that the Republican leadership is doing it once again. They would rather give a substantial tax break to America's wealthiest than provide a Medicare drug benefit for all seniors. This is a package of irresponsible, excessive tax breaks. Worse than that, it is a hoax. Little happens for 10 years.

Actually, we gave the Republicans on the Committee on Ways and Means a chance to put their votes where their mouths are and vote to make this effective this year. The gentlewoman from Washington (Ms. DUNN), the gentleman from California (Mr. THOMAS), the gentleman from Florida (Mr. SHAW), the gentlewoman from Connecticut (Mrs. JOHNSON), the gentleman from Pennsylvania (Mr. ENGLISH), and all of the Republicans voted no. They had a chance to make this effective right now. Instead, they wait for 10 years and then the cost clocks in just at a time when we will have baby boomers needing Medicare and Social Security and just at a time when that money will not be available.

It is interesting, and I have got to warn those who expect that next year their estates will be exempted, because they are in for a big surprise. Forty-three thousand Americans, less than 1 percent of all the taxpayers, will benefit from this Republican hoax. Forty million elderly and disabled are not going to get a drug benefit under Medicare because of this wasteful bill. Ninety percent of the beneficiaries of the estate tax cut make over $190,000 a year and our typical Medicare beneficiary has an annual income of less than $15,000 a year. A thousand times more people would be helped under this plan if Members vote for the Democratic alternative.

Ms. DUNN. Mr. Speaker, I yield myself 15 seconds. In response to the gentleman, I think it is important that we hear people talking about this is going to decimate the future of the children. We are talking about a tax that will phase out over 10 years and will hardly

at the very end be more than 1 percent of the budget.

Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. CRANE), the chairman of the Subcommittee on Trade of the Committee on Ways and Means.

Mr. CRANE. I thank the gentlewoman for yielding me this time.

Mr. Speaker, I am pleased to be able to support the bill put forward today to reduce and eventually repeal the estate tax. As many people know, I believe the estate tax is a tax that is one of the most unfair, obscene and immoral of all taxes. The estate tax, or the commonly referred to death tax since it is triggered solely by death, has outlived any worthwhile purpose and the time has come for us to put an end to it. No American, no matter his or her income, should be forced to pay 55 percent of his or her savings, business, or farm in taxes when he or she dies. Clearly, no American should have the IRS follow him or her to the funeral home. The last thing that a family grieving over the loss of a loved one should have to worry about is losing the family business or farm to the Internal Revenue Service because of an archaic law intended to raise money for wars that have long since ended. But when a person dies in this country, an outrageous tax of 37 to 55 percent kicks in on the poor soul's estate.

I am pleased that the House of Representatives is taking up the issue to repeal this unfair tax so that family businesses can be passed on to children and grandchildren and family farms can continue to exist. Less than half of all the family-owned businesses survive the death of a founder and only about 5 percent survive to the third generation. Under the tax laws that we currently have, it is cheaper for someone to sell a business before dying and pay the capital gains tax than it is to pass it on to his children. This is a grave injustice that must be corrected.

It has been said that only in America can one be given a certificate at birth, a license at marriage and a bill at death. The death tax is contrary to the freedom and free market principles on which this Nation was founded. We should be encouraging businesses, especially small businesses, not creating obstacles for their existence.

The Republican Congress has a track record of being pro-family and pro-business. We take family businesses very seriously. When mom-and-pop shops are closing up because of an outdated tax policy, it requires leadership and determination to remedy the situation. I am pleased to be a part of this effort.

Mr. RANGEL. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. EDWARDS).

(Mr. EDWARDS asked and was given permission to revise and extend his remarks.)

Mr. EDWARDS. Mr. Speaker, I rise in opposition to the Republican bill which actually raises estate taxes on many family farms and businesses with capital gains and maintains a 40 percent death tax until the year 2009.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. MATSUI), a senior member of the Committee on Ways and Means.

Mr. MATSUI. I thank the ranking Democrat, the gentleman from New York (Mr. RANGEL), for yielding me this time.

Mr. Speaker, I have to say that this bill here that is on the floor today that my Republican colleagues have offered, it really will not become effective until the year 2011, 10 years from now. The Democratic substitute which will be offered in a little while provides immediate relief, up to $2 million per person, $4 million per couple. This would give almost 99 percent of the farmers, 99 percent of the small businesses in America immediate relief. We do also provide a continuation of the stepped-up basis.

What is very interesting is that you do not hit $2 million on the Republican bill until the year 2011. In fact, you do not even get a million dollars' worth of relief until the year 2006 in the Republican bill. Why is it that it phases in? It phases in because they cannot be sure of these surpluses.

The fact of the matter is that the Congressional Budget Office has said that there will be $5.6 trillion worth of surpluses over the next 10 years. They also say in that same document that for a 5-year projection, they are only 50 percent accurate and for the 10-year projection they are basically saying it is not yet possible to assess its accuracy. We are really playing with speculation at this particular point in time. The reality is that we do not know what these surpluses will be.

At the other side of the table, if you add up every bill that the Republicans have passed since January of this year till now, it totals about $2 trillion with the loss of interest. At the same time, and this is the astonishing number, this is absolutely astonishing, the top 1 percent of the taxpayers that average $1.1 million a year will get 43 percent of these benefits. I have to say that a good part, about 50 percent, believe it or not, 50 percent of this $5.7 trillion speculative surplus is payroll taxes, payroll taxes that the average American wage earner pays.

□ 1245

So we are going to have middle-income people pay essentially for the tax cut for those people that make over $1 million a year. That is not fair. That is not equitable. Actually, that is absolutely unconscionable.

As a result of that, I hope my colleagues come to their senses and realize that what we are seeing here right now is not a whole issue of fairness. This is a whole issue of unfairness to the average American at a time when the market is failing, when unemployment will probably go up because the President is not paying attention to the economy of the United States.

Ms. DUNN. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. TRAFICANT).

Mr. TRAFICANT. Mr. Speaker, I want to commend the gentlewoman from Washington (Ms. DUNN) for her work, and the gentleman from Tennessee (Mr. TANNER).

Mr. Speaker, once again, it is rich versus poor, the class warfare that continues to divide America. It is ridiculous, and I would like to put this in another perspective. Two men buy a $20,000 annuity program. One man becomes rich and successful. The other man just barely survives. Are there those that say because the man was successful and rich he now, even though he paid the premiums, does not need the $20,000 so he should not get it, but the man who just survived should get it?

Mr. Speaker, this sounds like socialism to me. This is socialism. This Tax Code reeks of socialism. It is my philosophy that Americans that feather their nests should not be discriminated against; they should be rewarded and incentivized in the United States of America.

This whole tax business is out of control. We are taxed from the womb to the tomb, the stork to the undertaker. The tax man is Roto-Rootering our assets daily, year after year, picking our pockets; and we here in Congress are continuing to support them and give them more money. Beam me up.

I finally figured it out. Count Dracula still lives. Dracula lives in the form of the IRS sucking our very blood year after year, making American taxpayers undead because if they are dead they are going to pay, if they are successful, a huge tax.

I want all the money people to stay in America, not to move to Switzerland; and I think it is time to abolish this tax. I think the Republicans do it in a manner of time that makes it compatible with an economic policy.

I want to commend the chairwoman and say that I support the bill.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. LEVIN), a senior member of the Committee on Ways and Means.

(Mr. LEVIN asked and was given permission to revise and extend his remarks.)

Mr. LEVIN. Mr. Speaker, the gentleman from California (Mr. THOMAS) referred to ''at any cost,'' and the truth of the matter is the Republicans here in the House have determined to pass tax legislation at any cost, even if it costs fiscal discipline; even if it costs the future of Medicare and potentially Social Security; and even if it costs the chance for meaningful prescription drug programs.

In a word, the House Republicans are on automatic pilot, and no warning signal apparently will deter them. The fact that the repeal does not fit into a 10-year projection, so what do they do? They just push a good portion of it out to the year eleven. And we are talking

then about a proposal that could cost over $600 billion?

It does not matter apparently that the Democrats proposed an alternative that provides more relief sooner and relieves essentially the estate tax for all farm families and individual businesses. The talk of bipartisanship really has such a hollow ring under those circumstances. For those of us on the Committee on Ways and Means, when it comes to tax legislation, the amount of bipartisanship, zilch.

The only redeeming factor here is that the Senate will not follow suit. This bill does not fit. We should do better. The Senate hopefully will slow down this plane before it crashes, and we will have another look at it.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. CARDIN), a member of the Committee on Ways and Means.

Mr. CARDIN. Mr. Speaker, let me thank the gentleman from New York (Mr. RANGEL) for yielding me this time.

Mr. Speaker, we are being asked today to approve a tax cut so blatantly irresponsible that the authors have had, in effect, to white out the costs. Those are not my words. That is the words of the Washington Post in their lead editorial today, and I agree with the editors of the Washington Post.

As the gentleman from New York (Mr. RANGEL) pointed out, if this bill was fully implemented immediately, the cost would be much, much higher than the $200 billion that has been put on this bill by the Joint Committee on Taxation. In fact, when it is fully phased in, it is about $70 billion of loss of revenue under the estate tax revenues, plus additional losses under the income tax; for when the estate tax is repealed, it is very difficult to figure out the base of property that is later sold, and there is transfer of property during life under the gift tax exclusions that would also lose revenue.

We have a choice, Mr. Speaker. We can have the Republican bill that tells our constituents in 2011 that we will not have an estate tax, or we can support the Democratic substitute which tells our constituents immediately that they can have a $4 million exclusion per family. That will take care of 99.4 percent of all of the estates that will be exempt from Federal estate tax. Then we can take care of almost all of the problems of family farmers or family-owned businesses. We can do that by supporting the Democratic substitute.

It is interesting, Mr. Speaker. I have had a large number of my constituents lobbying me on this issue. They came to my office to ask my support for the Republican bill. I showed them the Republican bill, and I told them they have a choice. They can believe that in the next five elections of Congress we will allow a repeal bill to take effect through three more administrations, or we can give them an immediate $4 million exemption. What would they prefer, $4 million today or take a bet on what is going to happen 10 years from now when the repeal would go into effect?

By the way, during the next 10 years, if they fall into the estate tax, they still need their life insurance; they still need their estate planning.

I must say the people who have come to my office to support the repeal tell me, give me the $4 million; I will take that. I will take the Democratic substitute because it is fairer; it is immediate and we know that we can count on that relief as we plan how to deal with our family business or we plan how to deal with our personal estates.

Let us reform the estate tax. We can do that in a bipartisan way. We can do that in a fiscally responsible way. By the way, we can also pay down the national debt. We can protect Social Security and Medicare. We can deal with high-priority programs, such as education, because it fits within the revenues that are available.

We do not try to do more than we promise. I urge my colleagues to support the Democratic substitute, reject the Republican bill.

Ms. DUNN. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. COX).

Mr. COX. Mr. Speaker, today we will repeal the death tax. We will send it to the President for the third time, but this time to a President who will sign it.

We hear arguments about why punitive confiscatory taxes on the after-tax life savings of hard-working Americans are somehow justifiable or somehow wise. The death tax is perhaps the most complicated part of the Internal Revenue Code, 88 pages. If one has ever seen a death tax return or, worse yet, if their family has had to fill one out, they know how extraordinarily complex and complicated it is. It is unfair and it is inefficient.

Even if one accepts the revenue analyses of the minority, which posit that there are no compliance costs and no collateral effects associated with this very damaging tax, it raises but 1 percent of our total revenues. In fact, according to the Joint Economic Committee, the costs that the death tax imposes on the economy more than offset its collections, so that this tax is actually costing not only our economy and workers money but the United States Treasury, and income taxes, income tax collections, are depressed as a result of maintaining the death tax on the books.

The death tax falls heaviest on people who have no money, because even though it is included in the income tax, one does not have to have any income in order to own it. All they have to have is property. It is really a property-tax levy and these property-tax levies are placed on the shoulders of people who have accumulated assets over their entire lives. When they sell the property, usually a small business, to pay the tax man, the workers who used to have jobs at that small business, at that ranch or that farm, are laid off. The death tax imposed on an unemployed worker is 100 percent.

The Democrat substitute would maintain a 55 percent highly-confiscatory rate punishing small businesses, ranches, and farms. The bill on the floor will repeal the death tax. It is time for the death tax to die.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would just like to say one can search the Internal Revenue Code all they want and they will find no provision labeled the ''death tax.''

Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin (Mr. KLECZKA), my friend on the Committee on Ways and Means.

Mr. KLECZKA. Mr. Speaker, the previous speaker indicated today we are going to repeal the estate tax. Did everyone hear that? Today we are going to repeal the estate tax. That is not accurate.

In fact, the bill before us, Mr. Speaker, is a fraud. It is a fraud on the American public. First of all, we are told, or it is indicated, that it is going to be paid. Only the wealthiest 2 percent in the country ever pay an estate tax.

Republicans say this is for the family farm and for the small businesspeople. That is not accurate, either. This bill is for the billionaires. Just last week, Wednesday, the Republicans had a little dinner in town knowing this bill would come up; and at that dinner, Mr. Speaker, they raised $7 million. Who does one think was there? The people who are going to benefit from this so-called bill that repeals the estate tax.

Let us look and see what the bill does. Here is the current estate tax. The bill before us takes the rate down to this point, costing $200 billion, and then five Congresses from now and three Republican, or three Presidents, and God forbid Republican Presidents, the rate falls from here to zero. This costs $200 billion for 10 years. This in 1 year costs $90 to $100 billion.

Does one think the sitting Congress at that point will be able to take that shock to the Treasury? Clearly not. So what will the Congress do? That Congress will then further extend it; and we are going to see at that point, over the next 10 years, the rate go down some more and then finally in the year 2031 the death tax or the estate tax will maybe be repealed.

So my advice to the Bill Gateses of the world and those who think this relief is on the way, do not die until the year 2031.

What does our bill do? Our bill raises the exemption immediately to $4 million. How many folks in the gallery are worth more than $4 million? I do not see any hands go up.

That is the relief that small business and farmers need today. That relief costs about $40 billion, not $200 billion.

□ 1300

So this bill is not for the Ma and Pa business people or the farmers; it is for

those who were there at that dinner last Wednesday when my Republican colleagues raised $7 million in one 2- to 3-hour period. That is what this debate is all about, make no mistake about it.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LINDER). Members are reminded that during debate, persons in the gallery are not to be referred to or engaged.

Ms. DUNN. Mr. Speaker, I yield 3 minutes to the gentleman from Florida (Mr. SHAW), the chairman of the Subcommittee on Social Security.

Mr. SHAW. Mr. Speaker, I thank the gentlewoman for yielding me this time. I want to congratulate her on the wonderful job and effort that she has been doing year after year in order to bring about the realization of the elimination of the death tax.

My colleagues on the other side of the aisle will argue that all we need is targeted reform to fix any hardships caused by the current death tax. History shows, however, that they are wrong. They are dead wrong.

Originally enacted in 1916, the death tax was used as a sporadic and temporary way to finance the First World War. The original death tax provided an exemption of $50,000. That is about $11 million in terms of today's dollars. The top rate was 10 percent, and it was applied to estates over $5 million, which in today's terms would be $1 billion, or in excess of $1 billion.

From the 1920s through the 1950s, death tax became a weapon in the liberal arsenal to redistribute wealth. Estates were taxed at rates up to 77 percent. Congress then tried to address the hardship imposed by the death tax on farmers and small businesses, as we are today.

In 1976 and in 1981, the exemptions were increased and the rates were reduced to remove smaller estates from the tax rolls. But after that, the search for revenue to close budget deficits led to a decade of bills that largely increased the estate taxes.

The truth of the matter is that the existence of any death tax infrastructure would make it easier for future Congresses to expand the impact of the death tax system should, for example, revenue pressures demand such a course of action.

However, Mr. Speaker, we no longer have a deficit. Compliance and tax planning costs the taxpayers more than the revenue that the estate tax raises. Let me repeat that. Compliance and tax planning costs taxpayers more than the revenue that the estate tax raises. That is simply wrong.

Because the death tax falls on assets, it reduces incentives to save and invest, and, therefore, it hampers growth. Is that fairness? An individual works, pays taxes on his or her earnings, invests their earnings and again pays taxes on the income from the investments. Double taxation. When a person dies, the assets are then taxed again. I say to my colleagues, that is triple taxation.

With a maximum income rate of 39.6 percent and a maximum death tax rate of 55 percent, the combined rate can be readily seen as 73 percent. I ask again, is that fairness? But the most important reason to repeal the death tax is simply that Americans should not be taxed when they die. Imposing a tax on some Americans but not on others merely because of their death is wrong, and it is time now to put this tax to death.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume to note that it is so unfair to talk about repealing the estate tax when we do not even intend to do it for 10 years. It is really misleading.

Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. NEAL), a member of the Committee on Ways and Means.

(Mr. NEAL asked and was given permission to revise and extend his remarks.)

Mr. NEAL. Mr. Speaker, I thank the gentleman for yielding me this time.

The gentleman from Ohio (Mr. TRAFICANT) indicated earlier that this was a debate about the rich versus the poor. That is simply not true. The debate today is about doing something for the living as opposed to doing something for the dead.

We could well afford in this institution today to provide a prescription drug benefit that was fixed for Medicare recipients. Instead, we are coming to this floor today to assist those who really do not need it.

Let me, if I can, quote again the editorial from the Washington Post that appeared this morning. ''The House will be asked today to approve a tax cut so blatantly irresponsible that the authors have, in effect, had to white out the cost.'' In other words, the phase-in of the estate tax repeal is so slow that the $660 billion cost of immediate repeal has been reduced to $185 billion. That was the point of an amendment offered last week in the Committee on Ways and Means.

But there is even a more fundamental point here. It is that the committee majority could not figure out how to handle the true cost of repeal, given their other priorities, so they manipulated the budget rules to make it fit the 10-year window. Under the rules here, it is perfectly legitimate, but it is very questionable in terms of governance. There are tax proposals that should be phased in over a few years for policy reasons; others are phased in over a few years to save costs. But moving the bulk of the revenue loss out into the 11th year because we cannot figure out how to pay for this repeal is, as they say, a horse of a different color.

This is what it means. We cannot deal with it now. We cannot deal with it now because nobody knows what the real revenue estimate is. We do not know how to repeal the estate tax and make it affordable, but we intend to hold out and hold on to the notion that the estate tax will be repealed because we have a political commitment out there that we intend to honor, at least for the moment.

Mr. Speaker, I think that we missed a grand opportunity today. What a missed moment when we could have offered a solid compromise that would have taken care of 1 percent of the 2 percent who pay the estate tax in America. The Democratic substitute is preferable today. Vote for our alternative.

Ms. DUNN. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. SAM JOHNSON).

Mr. SAM JOHNSON of Texas. Mr. Speaker, I thank the gentlewoman for yielding me this time.

Mr. Speaker, we are hearing a lot of rhetoric in here today, but the key is our bill is to repeal, and the Democrat substitute is not. There are 65 Democrats and 213 Republicans who supported the death tax repeal last June. I wonder if those people will stand up today. Last year 65 Democrats crossed party lines, ending one of the most unfair taxes today, the death tax, and those 65 Democrats, I wonder if they will vote to end this onerous tax now that they know the President will sign the bill?

For those who do not know, the death tax confiscates up to 55 percent of a family farm or business when a loved one passes away. It is just plain wrong for Uncle Sam to start taking up a collection while families are still grieving at the funeral home.

Furthermore, according to the National Federation of Independent Business, one-third of small business owners today will have to sell outright or liquidate part of their business just to pay death taxes, and half of those that liquidate to pay the IRS will have to eliminate 30 or more jobs. In today's chilling economy, that statistic is horrifying. Couple that with the fact that 60 percent of small business owners report that they would create new jobs in this year if the death taxes were eliminated.

J.C. Penney, which is headquartered in my district, has laid off more than 5,000 employees. If this death tax repeal goes through, those folks without jobs could go to work for small businesses who want to hire more people.

Mr. Speaker, this Congress has got to stop the IRS from taxing families to death, and we need to do it now. The death tax is just plain wrong. Let us vote for death tax repeal.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume just to note that the gentleman did not mean we need to do it now; the gentleman from Texas means he means to do it 10 years from now.

Mr. Speaker, I yield 2 minutes to the gentleman from Tennessee (Mr. TANNER), a member of the Committee on Ways and Means.

(Mr. TANNER asked and was given permission to revise and extend his remarks.)

Mr. TANNER. Mr. Speaker, I would like to thank the gentlewoman from Washington (Ms. DUNN), whom I have worked with on this issue, as well as the gentleman from New York (Mr. RANGEL) for his, I think, outstanding work in fashioning a substitute.

Look, I came to this issue from the standpoint of agriculture and small business. The Democratic substitute is very attractive from the standpoint of immediate, substantial relief to those sorts of individuals, small businesses and family farms. The Democratic substitute, in my judgment, is weak in terms of addressing what I consider to be rates that are exorbitant, 55 percent. I do not believe in taking over half of anything by the government from the people. So we have that situation, but we have immediate and substantial relief.

We have in the Republican bill almost no immediacy, but we have an addressing of the exorbitant rate I spoke about.

I may be like many Members here in that I want something to happen this year. Nothing happened last year. I want it to happen not just in legislation, but to people, real people who have small businesses and family farms. That is the shortcoming of the underlying bill that I am a sponsor of.

So I do not believe that the two ideas are necessarily mutually exclusive. I think this is a work in progress, and I think we can fashion something if we could somehow figure out how to work together here to do something both on an immediate relief from the current code of $675,000 credit, and also something on the rate. We have not been able to put those two together. I was not consulted on the chairman's mark in the committee, but nonetheless, I think we have an opportunity somewhere down the line, a window of opportunity, to actually make something good happen in this area of tax law.

Ms. DUNN. Mr. Speaker, I yield 2½ minutes to the gentleman from Georgia (MR. BISHOP).

Mr. BISHOP. Mr. Speaker, I thank the gentlewoman for yielding me this time.

Let me also commend the gentleman from California (Mr. THOMAS), the Chairman of the Committee on Ways and Means, and the gentleman from New York (MR. RANGEL), the ranking member, along with the gentlewoman from Washington (MS. DUNN) and the gentleman from Tennessee (MR. TANNER) for an extraordinary job in working this issue.

When America's families lose a loved one, their grief is often compounded by the loss of a farm or business, or other assets that have been held and nurtured for many generations and were expected to be passed along to future generations. For many families, this is what the unfair, confiscatory death tax does; it robs them of investments of a lifetime and their hopes and their dreams for the future.

Studies show that one in every three family businesses and farms lack the liquid capital to pay the death taxes, which can amount to 55 percent of the estate's value. It will either have to be sold or liquidated, even more loss in an area like mine where family farms and small businesses are such a big part of the economic base. It is not only the families that suffer, but it is the employees of those businesses that suffer.

I can cite many examples from my area of southwest Georgia, and in Georgia, the mom-and-pop service station that a couple struggled 40 years to establish and their three sons would run after they died, or the Atlanta Daily World newspaper, or the southwest Georgia newspaper, or countless funeral homes that have been passed down for one and two and three generations that could be threatened if this tax stays in effect.

All segments of society are hit by the death tax, but none harder than minorities. More than 1 million minority-owned businesses are believe to be jeopardized by the tax.

I have listened to both sides of the debate, and no one has explained what is fair about it; a tax that is levied on income that has already been taxed, that penalizes hard work and success, that encourages compliance costs that almost wipe out the relatively small amount of revenue it raises, and that robs families of their heritage.

Mr. Speaker, I urge my colleagues today to vote to eliminate this burden on America's families.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (MR. DOGGETT), a member of the Committee on Ways and Means.

Mr. DOGGETT. Mr. Speaker, I thank the gentleman for yielding me this time.

I believe that the question that our Republican friends joined by one of my colleagues from Georgia just now need to answer, is if they are so much against the so-called death tax, why is it that this morning they are so modest, so timid, indeed so fearful of providing relief now to the small businesses and the family farms? The real problem with their ''repeal'' is that it does not actually repeal anything any time soon.

I heard just now my colleague refer to service stations and funeral homes. How much relief do all of these supporters of the repeal of the death tax provide for such enterprises? Well, I heard the 55 percent tax described as confiscatory, and under their repeal, what relief do all of those people get next year that have been coming around, that have been stirred up by all of these Republican lobby groups to repeal the death tax?

Well, they certainly do not get repeal. Anyone who dies next year, they are going to get an amazing amount of relief. The confiscatory 55 percent tax will be lowered all the way down to 53 percent. That is the amount of relief that these timid supporters of ''repeal'' of the death tax are offering for next year. How about carrying it on down a few years to 2006. Well, by that time, these timid supporters of the ''repeal'' of the death tax are still not repealing any tax for anybody, instead, they are only lowering it for all to 46 percent.

Mr. Speaker, they do not repeal the death tax for a single American next year.

□ 1315

Indeed, they do not repeal the death tax during the entire decade, for a single American.

All these groups, these service stations, funeral homes, family farms, family enterprises that have been so concerned, that have been stirred up by all the Republican rhetoric, they do not get any repeal of the death tax next year or during the next decade.

The only hope that family enterprises have for repeal under the Republican proposal occurs a decade from now, in 2011, at the very time that the baby boomers are placing the greatest demands on Social Security and Medicare. If at that time we have, and it seems inconceivable, but if, at that time, we have a Congress that is as fiscally irresponsible as the current one, and it remains willing to repeal the tax from the billionaires, from the super rich in this country, then, and only then, perhaps relief will trickle down to family enterprises.

Today House Republicans say that Teddy Roosevelt, a great Republican who first advocated the inheritance tax, that he was all wrong and that inherited wealth is no longer a problem, inherited economic power that concentrates more and more of the wealth in this country in the hands of a few super-rich billionaires; that that is okay, that we do not need to worry about it, that it does not threaten our democracy.

But in the meantime, the small businesses and the family farms, and all of the tearful stories that we have heard here this morning, those people are being held hostage. They will have to pay a tax for the next decade because the Republicans are fearful of repealing it for them.

Our Democratic substitute repeals that tax for the first $2 million for an individual, $4 million for a couple. It repeals it for 77 percent of the estates that pay taxes today and does so promptly, in January, not in future decades.

Ms. DUNN. Mr. Speaker, I yield myself 15 seconds.

Mr. Speaker, the gentleman fails to mention that his proposal to increase the exemption does not tell the story that on the first dollar after that exemption, taxpayers will be paying at a rate of 49 percent, as opposed to the 18 percent in the bill that we propose.

Mr. Speaker, I yield 2 minutes to the gentleman from Arizona (MR. HAYWORTH).

Mr. HAYWORTH. Mr. Speaker, I thank my colleague, the gentlewoman from Washington, for yielding time to me.

Mr. Speaker, it is very interesting, and part of the necessity, I guess, of those who say no in every circumstance, to embellish remarks. In the interest of making a valid point here, to my friend, the gentleman from Texas, one point he assiduously ignored in his litany of alleged shortcomings was this: Under the plan of my friends, the minority, the death tax is never eliminated.

That points up a basic disagreement. Our friends on the other side, with the exception of some folks who understand the commonsense reality of trying to get rid of this tax and put it to death within the current budgetary constraints we face, a lot of my friends over there believe no how, no way should we rid ourselves of this confiscatory tax.

Simultaneously, they argue every side of the issue, and suggest that we can relieve it to a certain point, but if one makes one dollar more, that is too much success and therefore that person exists to be punished.

It is a simple question, really, one of fairness: Is it fairness to eventually put this death tax to death for every American, and say it is wrong to punish those who succeed, or is it better to drive a wedge in the American people; to play upon the politics of envy, rather than the realities of fairness?

Today we stand, in a bipartisan way, which may add to the consternation on the other side, and say, no taxation without respiration. The policy may not be achieved in a day, but as my constituents tell me in Arizona, it will be achieved, and we invite our friends to put aside this mindless class envy and to join with us; to say to every American, no family should have to visit the undertaker and the tax collector on the same day. Support the legislation.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Washington (MR. MCDERMOTT), a member of the committee.

(MR. MCDERMOTT asked and was given permission to revise and extend his remarks.)

Mr. MCDERMOTT. Mr. Speaker, we are here for act III of the tax follies of the year 2001. It is interesting. We have heard everyone say, and I do not need to repeat the fact, that there is no tax relief for 10 years. It is simply that they want the headline—they want the commercial with the line in it that says, ''I voted to repeal the estate tax.'' What they will not put in there is, ''I voted to repeal the estate tax in 2011.''

We are setting up commercials here today. No one seriously believes on either side of the aisle that the Senate is as crazy as to adopt this particular law. The reasons are very obvious. If we take a serious look at what laughingly is called the President's budget or the House's budget, there is no money in there to stabilize Social Security. There is no money in there to deal with what everybody admits is going to be the problem in 2010, when the baby boomers come into the Medicare system.

Everybody out there listening to this who is 55 years old now and in 10 years will be 65, and is counting on that Social Security, and is counting on Medicare for the security it gives one economically ought to be listening to this debate and wondering, where are these people going to get $660 billion in 2010 to deal with those issues?

I think the people on the other side must think the Americans are asleep or stupid or something. I do not know how one could think that the American people cannot see that in 10 years, when they count on Medicare, that they are suddenly going to be shovelling out the door $660 billion having done nothing in the intervening 10 years to prepare for what is undoubtedly going to be a catastrophe.

We all know that. Everybody approaches it. Everybody waves their arms and talks about it, but we do not do anything about.

What we are being subjected to here today is what I call a perfect example of the big lie. If people say a lie enough times, people start to believe it. People actually believe there is a death tax. I have people call me up on the phone who have not got two nickels to rub together telling me that I have to repeal this death tax, like when one dies they come and tax one right in the funeral parlor. My father died 2 years ago. Nobody came to collect any death tax, and it is not going to happen. It is a lie.

Ms. DUNN. Mr. Speaker, I yield 2 minutes to the gentleman from California (MR. HERGER), the author of the lockbox that sets aside all dollars for Social Security and Medicare.

Mr. HERGER. Mr. Speaker, I thank the gentlewoman for yielding time to me.

Mr. Speaker, Americans are taxed all their lives: when they get a job; when they are married; and yes, even when they die.

Today we are considering legislation to end the destructive death tax once and for all. The death tax is wrong and it is bad policy.

First, the death tax is double taxation. Every dollar invested in a family farm and small business or a household has already been taxed or will be taxed in the future.

Secondly, the death tax has its hardest impact on middle-income Americans, not the super wealthy, but individuals and families who have invested their life's savings into small businesses and are often asset-rich but cash-poor.

For this reason, the death tax is the leading cause of dissolution of most small businesses. One-third of small business owners today will have to sell or liquidate their small business to pay the estate tax. Half of those who do liquidate will have to eliminate 30 or more jobs. Is it any wonder that 70 percent of all businesses never make it past the first generation and 87 percent do not make it to the third?

Finally, the death tax collects only a small percentage of Federal revenues. The death tax actually comprises just 1½ percent of total Federal revenues. With as much as $2.5 trillion in non-Social Security surpluses being projected over the next 10 years, surely Washington can afford to return a penny on the dollar of the surplus to the American taxpayers who created it.

Mr. Speaker, it is time to do the right thing. It is time to end the unfair and destructive death tax.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from South Carolina (MR. SPRATT), the ranking member of the Committee on the Budget.

(MR. SPRATT asked and was given permission to revise and extend his remarks.)

Mr. SPRATT. Mr. Speaker, I rise in favor of total repeal of the estate tax now for 99.5 percent of all estates; all Americans who may die, 99.5 percent. This means repeal today, not 10 years from now.

That means the family businessmen, the family farmer for whom they profess so much concern, they bring them forth when they present their case, will be exonerated, sheltered from estate tax; and not only that, he or she will get stepped-up basis on all of the assets. The heirs will take the assets with an investment basis equal to the value at date of death, which means when they settle that value, there will be no capital gains. Under the Republicans' bill, all assets over $1.3 million will have a carryover basis; not a stepped-up basis, a carryover basis.

On both scores, this bill, this substitute, is manifestly, unquestionably better for the people they are professing so much concern for, small business people and family farmers. This is the way to vote: Total repeal for 99.5 percent of all decedents.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from California (MR. WAXMAN), a distinguished Member.

Mr. WAXMAN. Mr. Speaker, last week I gave out the first of what will be a series of Golden Jackpot Awards to the mining industry and the EPA, the Environmental Protection Agency, and administrator Christine Todd Whitman, for the incomprehensible decision to allow more arsenic in drinking water.

We are going to be giving this award whenever we are confronted with decisions that exemplify amazing feats of lobbying that result in outrageous windfalls to special interests.

Today we have a new winner. I am awarding this week's award to President Bush and Vice President CHENEY on behalf of the entire Bush cabinet for their plan to completely repeal the estate tax. By insisting on total repeal and by passing today's Republican bill, the President and Vice President would share in as much as $50 million in benefits. Let me repeat that, they will

share in $50 million in benefits. That is just for the Bush and Cheney families.

This is not a bill that just helps the President and Vice President. Repealing the estate tax would provide as much as an average of $19 million for members of the Bush cabinet. Of course, Members of Congress are not being left behind, because under the Republican bill we will soon vote on the richest 50 Members of Congress getting $1 billion in benefits. That is $1 billion with a ''B.'' That is better than any pay raise I have seen proposed for Members of Congress.

The breathtaking self-interest and enrichment in the Bush proposal is the very essence of the Golden Jackpot Award, and this award I am going to bestow on this administration for the jackpot that many of the members of the cabinet are going to hit if this repeal of the estate tax becomes law. It seems to me that we ought to recognize the enormous windfall that this special interest provision, this special interest bill, would have.

I urge that we vote against the Republican proposal.

Ms. DUNN. Mr. Speaker, I yield 2½ minutes to the gentleman from Iowa (Mr. NUSSLE).

Mr. NUSSLE. Mr. Speaker, I thank the gentlewoman for yielding time to me, and for her leadership on this measure.

The arguments are very interesting, particularly when we hear them in context. I have tried to document the arguments that our friends on the other side have made about our budget and about our taxes. It really puts it in perspective for me, because what we have come forward with today is a tax bill that fits. It fits within our tax priorities, but it also fits within the overall priorities of our budget, which is an important thing for us to consider here today. Their bill does not fit within that budget. It does not meet those commitments.

But this is not a new argument for our friends on the other side. They have been making arguments about our budget and about our tax relief for Americans for quite a few years. Let me just highlight a few of them, because I think they are interesting.

First, they said we cannot have tax relief for Americans because we do not have a balanced budget.

□ 1330

My colleagues said we cannot do both. We did both. We balanced the budget. We provided a tax relief. Now my colleagues say, or then my colleagues said, we cannot do it unless we put Social Security in a lock box. So we put Social Security in a lock box. Then my colleagues said we cannot do it unless we put Medicare in a lock box. So we put Medicare in a lock box. We balanced the budget and put Social Security in a lock box.

Then my colleagues said we cannot do it unless we fund some very important priorities. So we funded priorities, such as education, the environment, health care, health research, a number of very important priorities, plus added defense and agriculture to them.

They said we still cannot have tax relief, because it is the wrong process. It is too fast. So we slowed things down, passed a budget; and still my colleagues said it is the wrong time, because now the tax bill is actually too big.

Okay. Then we have proven that this tax bill fits within the budget that we just passed, that the Senate is working on. Now, believe it or not, all of those arguments have been refuted, and now they come to the floor with a bill that they say is not big enough. They say our tax bill is not big enough, that it is not fast enough.

First, they said it was too slow; now it is too fast. Now it is too big; now it is too small. When are my colleagues going to understand you have run out of excuses? We are able to balance the budget, fund our priorities, provide the needed tax relief for our American families and small businesses and farms, do it in a responsible way that fits within the budget that we just voted on and passed, and do it at the same time we pay down our national debt and fund all of the priorities of our government.

I think it is important for us to remember these arguments in context. H.R. 8 is a good bill that fits within the budget, and it deserves our support.

Mr. BLAGOJEVICH. Mr. Speaker, I rise in opposition to H.R. 8, an effort to phase-out the estate and gift taxes over a 10-year period. I support eliminating the burden that the estate tax imposes on family farms and small businesses, and I have voted in the past to remove that burden. I have joined with many of my Republican colleagues to support legislation to end the estate tax. However, the bill before us today, as amended by the House Ways & Means Committee, would prevent the vast majority of family farms and businesses from seeing any significant relief for ten years.

Had the Ways & Means Committee been content with the bill as introduced, I could confidently cast my vote for a bill which would reduce rates substantially for people who truly need estate tax relief. But the Committee has chosen to present the House with a very different bill—a bill which provides immediate relief for billionaires, and makes family farms and businesses wait ten years.

The Democratic alternative shows there is a different way. By immediately raising the estate tax exclusion to $4 million, the alternative offered by my Democratic colleagues immediately repeals the estate tax for the vast majority of families faced with this burden. This effort alone would make sure that 99.4 percent of all small businesses and farms will never have to worry about the estate tax. Instead, the Ways & Means Committee has decided to delay relief for small business and farmers in order to immediately provide a tax cut for the wealthiest Americans.

As the growth of our economy slows, we here in Congress need to be absolutely sure that we are doing the job our constituents sent us to do—to make sure that the federal budget stays balanced. No one wants to return to the days when budget deficits forced interest rates through the roof, making it harder for businesses and families to balance their own budgets. I will continue to work for meaningful tax relief within the context of a balanced budget. But I cannot vote for a deeply flawed bill that will immediately benefit billionaires and make small business owners and farmers wait a decade for real relief.

The Senate still needs to add its voice to this debate, and I am hopeful that when the two Houses meet in conference, they can produce a bill that provides genuine estate tax relief. I look forward to voting for a conference report that will free family businesses from estate taxes—not a decade from now, but immediately.

Mr. SANDLIN. Mr. Speaker, today the House of Representatives votes to loosen the noose of estate taxes that choke many small-businesses, family farms, and ranches. As a nation of entrepreneurs and small businessmen, where multigenerational businesses form the backbone of many communities, the estate tax is too often an insurmountable obstacle to those who wish to carry on their families' way of life. As an original cosponsor of legislation designed to repeal the estate tax, I understand the despair of families faced with selling portions of a farm or business to settle the estate of a deceased family member. By voting to phase out this tax, Congress is removing an obstacle faced by thousands of East Texas businesses, farmers, and families.

Eliminating the federal estate tax is a top priority, because this tax is a burden on small businesses, family farmers, and growing families who can least afford the sting of additional taxes. Back in 1997, during my first term in Congress, I introduced legislation intended to eliminate the estate tax. My desire to eliminate the estate tax was sparked during my travels throughout East Texas and the conversations I had with the family farmers and small businesses facing ruin at the hands of this measure. Two years later, after the people of the First District of Texas decided I deserved a second term, I again introduced legislation that would completely repeal this tax. Today, as I begin my third term in Congress, we are prepared to phase-out the estate tax and protect multigenerational businesses and families from unfair taxation.

Today's action, however, is only a partial victory for those subjected to this tax. In a perfect world, Congress would vote to repeal the estate tax effective this year. Instead we are passing a modified, multi-year phase-out plan that won't be fully effective until 2011. Earlier this year, Congress had an opportunity to speed up the pace of estate tax repeal. However, the Republican leadership muscled through an irresponsible tax rate cut plan that drains a substantial portion of the predicted surplus. By pushing through a tax cut skewed largely to the rich, the Republican leadership is now forced to offer an estate tax bill that does not provide for complete repeal until 2011. Therefore, I will also support the Democratic alternative. This alternative provides substantial tax relief by raising the effective exclusion to $2 million per person effective in 2002. Although the Democratic alternative does not completely repeal the estate tax, the legislation does provide relief from the estate tax faster than the Republican alternative. By joining several of my colleagues in voting for both bills, I hope to send the message that

both sides must work together in crafting a bipartisan product that completely and quickly eliminates the estate tax.

Mr. Speaker, today Congress is taking the first step in removing barriers to multigenerational businesses and farms that are an important part of my community. I sincerely hope that in the coming months, Congress can work together in a bipartisan manner to pass fair and effective tax relief that benefits working families, small businesses, and family farmers. By repealing the estate tax, Congress is taking an important first step to carry out this goal.

Mr. MOORE. Mr. Speaker, I rise in support of H.R. 8, legislation that would provide for the eventual repeal of the estate and gift tax. I have long been a supporter of providing estate tax relief to American families, small business owners, and farmers who have worked their entire lives to transfer a portion of their estates upon their death.

While H.R. 8 is the vehicle that the House leadership wishes to pursue to achieve this goal, I believe there is a better way to provide relief and maintain our commitments to paying down the national debt, protecting Social Security and Medicare, and providing for our other priorities. This is why I will also be supporting the substitute to H.R. 8.

The alternative will increase the estate tax exclusion for all estates to $4 million, exempting two-thirds of all estates that would have to pay tax under current law and 99.4 percent of all farms that would otherwise have to pay the estate tax. All of these changes will be made immediately, instead of delaying relief to the small businesses and family farmers who truly need relief for several years as H.R. 8 would do, giving more estate tax relief to estates of less than $10 million than H.R. 8 through 2008.

H.R. 8 does not repeal the estate tax for 10 years; rather, it slowly phases-down the marginal tax rates and provides no increase in the exclusion. This will delay estate tax relief to the small businesses and farms that truly need it. H.R. 8 uses a phase-in period to hide its real effects. While the first 10 years cost only $192 billion, I have deep concerns about the fact that the true costs of this legislation fall outside the 10-year budget window, when they explode to above $100 billion in year 11 and up to $1.3 trillion in the second ten years.

Mr. Speaker, I serve on the Budget Committee and offered an amendment before both the Budget and Rules Committees to require the effects of revenue-reducing bills to be fully phased-in within the 10 year budget window. The bill before us today does not meet this criterion and I believe that is a serious mistake.

We've heard time and time again about the uncertainty of long-term budget forecasts and the necessity to urge caution in using projected surpluses. Indeed, most of the surpluses we're talking about—two-thirds to be exact—will not be realized until years 6 through 10. This also happens to be the time period in which the bulk of relief under H.R. 8 is phased-in, a time period that produces less reliable budget projections. I believe that the fiscally responsible thing to do is to develop policy under a framework where forecast figures are more reliable—if these surpluses do indeed materialize in the out years, then we can and should contemplate larger tax cuts.

I believe the practice of hiding the true costs of the legislation we pass is deceitful and irresponsible and we should put it to a stop. The President and many members of this Congress have indicated that they want tax cuts of $1.6 trillion—no more, no less. While we can argue the merits of this number, what we cannot and should not argue is the fact that those tax cuts, all $1.6 trillion should be accounted for within the 10-year budget window.

I am concerned about recent comments by Chairman of the Ways and Means Committee Mr. THOMAS that this Congress will somehow fit ''1½ pounds of sugar into a 1 pound bag.'' I infer from his comments that this House intends to pass tax cuts larger than $1.6 trillion—at least beyond the 10-year window. Make no mistake, this bill today achieves that goal by pushing its true costs beyond our agreed upon budget window.

Simply, H.R. 8 would have the American people believe that they will receive immediate and substantial estate tax relief. This bill delays a full repeal, which will have budget implications that this country simply cannot afford. With over one trillion dollars in lost revenue, this has the potential to put this country back on the wrong fiscal track of increased deficit spending and an exploding national debt.

Although the majority claims to support retiring the publicly held debt, they have begun the session by scheduling several tax bills funded by the projected budget surplus without giving any consideration to the impact that the bills will have on our ability to retire our $5.7 trillion national debt. These tax cuts have been predicated on the notion that the projected budget surpluses of $5.6 trillion over the next ten years will somehow materialize.

Mr. Speaker, I submit that the likelihood of these projections actually materializing is extremely slim. We are all aware of the recent $3.7 trillion loss in the equity market. This slowdown will undoubtedly have a negative effect on revenues and produce lower overall budget projections—how much lower is anybody's guess and we should not bet the farm on tax or spending programs that are based on circumstances that no one can accurately predict.

I am concerned, that the total costs of this bill, fully phased-in, could exceed not only the $1.6 trillion number that ''fits'' within current projections, but may actually result in Congress returning to deficit spending. This is why I intend to support the fiscally responsible substitute which provides immediate estate tax relief targeted to farmers and small businesses while protecting other urgent priorities such as paying down the debt and shoring up the long-term future of Social Security and Medicare.

I will also support, however, final passage of H.R. 8 because it is the only vehicle the leadership will allow to provide estate tax relief. I will not obstruct that vehicle; however, I hope the Senate and the conference committee consider carefully compromise language that provides substantial, immediate relief, and that is fiscally responsible.

Mr. HOLT. Mr. Speaker, the estate tax. It is unfair and punitive and hurts family-owned small businesses and farms.

Last year, I visited the DePalma Farm, 85 beautiful acres in Holmdel, New Jersey. This property is one of the largest parcels of undeveloped land in my central New Jersey Congressional District. The DePalma farm survived two World Wars . . . the Great Depression . . . and the advent of the technological revolution and the factory farm. But today, because of the estate tax, family members had to make difficult decisions about whether to sell the property to developers just to pay the estate tax. This is true even though some wanted to keep the land in the family or preserve it as open space.

When a government policy robs families of their heritage and forces communities to develop land instead of preserving it, something needs to be changed.

Some people say that the estate tax is something that only affects the wealthy. But any community that has lost a lumber yard, a jewelry store or a family grocery to the estate tax knows better. These losses can forever change the character of a town. In boroughs and townships across New Jersey, businesses and families are going through financial gymnastics to avoid being bankrupted by this punitive tax.

I am proud to be a cosponsor of bipartisan legislation introduced by Representatives TANNER and DUNN to phase out the estate tax.

The legislation before us today provides $186 billion in tax relief by phasing in a repeal of estate, gift, and generation-skipping taxes. Beginning next year, the unified credit, currently applied to the first $675,000 of property, will be converted to an exemption so that the lowest statutory rates will apply to the value of an estate exceeding the exemption amount.

The bill expands conservation easements by modifying the distance requirements from metropolitan areas. Under the bill, maximum distance of eligible land from a metropolitan area, national park, or wilderness area is doubled. In an area like central New Jersey, where land values are skyrocketing, these provisions are important.

It is clear that simply raising the size of an estate exempted from the tax won't truly solve the problem. In central New Jersey, where the price of an acre of land runs into many, many of dollars, simply increasing the exemption would only help a minority, not a majority, of farms. Because wages, equipment, and the cost of living is higher in New Jersey than in other states, such a change would be unlikely to help most small businesses, too.

As an environmentalist and a fiscal conservative, I believe that Federal tax policy should not make it more difficult for families to retain the businesses or farms on which they have worked for their lifetimes.

And it should not give wealthy developers an unfair advantage over those who want to preserve open space for their community.

Central New Jersey supports eliminating the estate tax for family-owned farms and business. I urge my colleagues to pass responsible estate tax relief.

Mrs. MINK of Hawaii. Mr. Speaker, last year I voted to override the President's veto of the estate tax bill. I said at that time that it was necessary for both parties to develop an effective and sensible estate tax reform bill. The Democrats accepted my advice. Unfortunately, the Republicans did not.

On February 27, 2001, I introduced H.R. 759, immediately raising the estate tax exemption to all estates up to $5 million. That exemption would exempt virtually all estates from any estate tax. Consider estates in Hawaii, for example. In 1998 there were about 8,000 deaths in Hawaii. Only 196 estates had any estate tax liability. With a $5 million exemption, 184 of those estates, 94 percent of

those that were taxed, would pay no tax. Only 12 estates would have had any tax liability.

The Democratic alternative contains a $5 million per couple exemption. I support the Democratic substitute because it exempts 75 percent of all estates and provides immediate relief. That is far better than the Republican plan which does not fully go into effect until after 2011.

The Republican estate tax bill is part of the excessive Republican tax plan. It offers no margin of error to avoid plunging the budget into deficit and leaves no amounts of any substance for education, Medicare or prescription drugs.

I urge support for the Democratic estate tax substitute.

Ms. KILPATRICK. Mr. Speaker, today I rise in strong opposition to H.R. 8, the Estate Tax Elimination Act. I say this with reservation, because I am not against tax relief for our nations small farmers and small businesses. In fact, our Democratic leadership on the Ways and Means Committee has drafted a more sensible estate tax relief bill. I am, however against the measure offered here on the floor. The Republican bill is simply too costly, it fails to stimulate a fragile economy and it fails to address the priorities of the America people.

This bill would cost the American people $662 billion if the estate tax was immediately repealed. However, in order to hide this fact, the Republican majority has stretched the measure out over 11 years. This bill finally repeals the estate tax in 2011. When added to the two other tax measures passed earlier in this house, the price tag of the President's tax cut will skyrocket to $2.9 trillion.

Once again, we are dealing with a tax measure directed at the very few. Today we are dealing with a tax that, according to the Joint Committee on Taxation, applied to only 2 percent of all estates based on IRS data from 1998. So America, we now operate in a time where 2 percent of estate control the legislative agenda of the U.S. House of Representatives. The first thing this measure does—I repeat, the first thing done in this measure . . . is the removal of the current surtax for estates larger than $10 million. It appears that while the President and some members of his Cabinet will receive significant benefits, our Nation's family-farms and small businesses are instructed to hold for tax relief until an unspecified future date.

On the other hand, our Democratic leadership on the Ways and Means Committee has crafted an estate tax relief measure that goes to those estates that need it most. The Democratic substitute, once fully phased in, provides a $2.5 million exclusion per individual and a $5 million exclusion per couple. Most significantly, the bill, effective January 1, 2002, would increase the current estate tax exclusion from $675,000 to $2 million providing immediate relief to our farmers and small businesses.

I have said it before, and I will say it again. Why are we here debating this massive tax cut? If my memory serves me correctly, the President, during the campaign, stated over and over again, that his first priority in office was the issue of education reform. We have been in session for 4 months now and we have yet to consider any substantive education measure. As Democrats, and at least half of the American public that voted for Al Gore feared, the President does not seem to be able to, or simply has chosen not to use his position of influence to move education in the Congress.

America, I challenge you to keep an eye on this President. If there were any doubts as to where his loyalties are, if there were any doubts about his sincerity about being bipartisan, if there are any doubts on whether or not he would represent all Americans—those doubts should be no more. His loyalties are to business and the wealthy, his policy has been extremely partisan, and he has chosen not to represent the least in our society.

To my colleagues, I urge you to vote against H.R. 8 and support the Democratic alternative.

Mrs. CLAYTON. Mr. Speaker, I rise today in support of estate tax relief for farmers and working Americans. I come from a rural district where a great many of my constituents make their livelihoods from farming. On paper, they look wealthy. In reality, they may not have $50 in their pocket or $1,000 in the bank. It is time for Congress to fix the estate tax so that it doesn't affect the livelihoods of these hard-working people. However, while the estate tax should not affect farmers and small businesspeople, it must be considered within the context of a larger tax debate. Only the larger debate can answer the question of basic fairness.

I want to see farmers, small business people, and working Americans treated fairly. That is why I will vote for the Democratic alternative. The Democratic alternative provides estate tax relief for those who need it, and sooner. It also exempts 99 percent of farms. The alternative allows for fiscal prudence and recognizes that America has other pressing needs. Fairness means providing sensible tax relief for working Americans. Fairness means giving our Nation's farmers the same support that they have given to us.

Because I seek fairness, I must continue to question the entire package of tax plans that the majority has sent to the floor. Taken as a whole the package is unfair, regressive, and unwise. Let us consider tax relief guided by the principle of fairness, rather than by no principles at all.

Mr. UDALL of Colorado. Mr. Speaker, I cannot support this bill—but not because I oppose estate-tax relief, and not because I am sticking with my party leadership on a partisan basis.

First, I do not think taxes should be a simple partisan issue. For example, last week, I joined in supporting a Republican-authored proposal to eliminate the marriage penalty and increase the child credit.

And, I do support reducing estate taxes for everyone, and especially for family-owned ranches and farms as well as other small businesses.

I definitely think we should act to make it easier for everyone to pass their estates—including lands and businesses—on to future generations. This is important for the whole country, of course, but it is particularly important for Coloradans who want to help keep ranch lands in open, undeveloped condition by reducing the pressure to sell them to pay estate taxes.

Since I have been in Congress, I have been working toward that goal. I am convinced that it is something that can be achieved—but it should be done in a reasonable, fiscally responsible way and in a way that deserves broad bipartisan support.

That means it should be done in a better way than by enacting this Republican bill—a bill that is even less balanced, even less responsible than the one that President Clinton vetoed last year.

That is why I voted for the Democratic alternative.

That alternative bill would have provided real, effective relief without the excesses of the Republican bill. It would have raised the estate tax's special exclusion to $2 million for each and every person's estate—meaning to $4 million for a couple—and would have done so immediately.

So, under that alternative, a married couple—including but not limited to the owners of a ranch or small business—could pass on an estate worth up to $4 million could pass it on intact with no estate tax whatsoever.

Once you look closely at the Republican leadership's bill, you can see that the Democratic alternative actually would be much more helpful to everyone who might be affected by the estate tax.

That's because the Democratic alternative would have taken effect immediately—it would not have been phased in over a decade, like the Republican leadership's bill.

Further, the Democratic alternative would immediately apply equally to every estate—unlike the Republican bill, which would start by reducing estate tax rates for the very largest estates, and only fully apply to all estates 10 years from now.

In other words, under the Republican bill a couple passing on their estate in the near future would avoid more tax under the Democratic plan than under the Republican bill. They would not have to hope to live long enough to see the benefits of the Republican bill.

Further, the Republican bill actually has the potential to greatly increase taxes for many people, because it revises the rules for valuing assets that people inherit. Should that become law, it will mean, first, a great increase in the record-keeping and paperwork burden for many people and, second, higher capital-gains taxes for many heirs.

Evidently, those provisions—like the bill's very slow phase in—were included to make the bill appear to fit within the overall size of the President's tax plan.

But the result is that this bill's name—estate tax ''repeal''—is an empty slogan, a pretty label that disguises the reality.

The Democratic alternative was much more substantive—real reform, not just rhetoric.

And, the Democratic alternative was much more fiscally responsible. It would not run the same risks of weakening our ability to do what is needed to maintain and strengthen Social Security and Medicare, provide a prescription drug benefit for seniors, invest in our schools and communities, and pay down the public debt.

The net cost of the Democratic bill would be $40 billion over 10 years. In contrast, the Republican bill's 10-year revenue reduction will be $193 billion, with 45 percent of that coming in just the last 2 years. But that is far from the whole story. Because of the way the bill is phased in, its true cost is cleverly hidden and does not show up until after the 10-year budget window.

That means the full effects of the Republican bill will come just at the time when we will have to face budget pressures because

my own ''baby boom'' generation is starting to retire. And if we feel we need to ''phase in'' H.R. 8 because we cannot afford the full repeal now, how are we ever going to afford it 10 years from now?

We do not need to engage in this fiscal overkill.

According to the Treasury Department, under current law only 2 percent of all decedents have enough wealth to be subject to the estate tax at all.

To be more specific, Treasury Department data show that in 1998 the estates of only 743 Coloradans were subject to paying federal estate taxes.

Under the Democratic alternative, that number would have been even smaller. That's because the average Colorado gross estate for which an estate tax return was filed was $1.87 million—an amount that would be completely exempted by the Democratic bill for which I voted.

And I would support going even further. I have joined in sponsoring a bill—H.R. 759, introduced by Representative PATSY MINK from Hawaii—that would fully exempt estates of $5 million or less from estate taxes. Based on Treasury Department data, in 1998 that would have exempted all but 45 Colorado estates from paying any federal estate tax at all.

Of course, all these numbers only relate to the cases in which an estate tax was actually paid. Clearly, in many other cases families have taken actions to forestall the estate tax. But just as clearly, the Democratic bill would have greatly reduced the pressure that prompted some of those actions.

Mr. Speaker, I am very disappointed with the evident determination of the Republican leadership to insist on bringing this bill forward and to reject any attempt to shape a bill that could be supported by all Members.

Since I was first elected, I have sought to work with our colleagues on both sides of the aisle on this issue to achieve realistic and responsible reform of the estate tax.

I initially voted for an estate-tax bill in the last Congress, although it was far from what I would have preferred, hoping that as the legislative process continued it would be improved to the point that it deserved enactment. Unfortunately, that did not occur and the final bill was vetoed, as it should have been. And now the Republican leadership is insisting on going forward with this bill, which is even less balanced and responsible than that vetoed bill of the last Congress.

I cannot support that, and I cannot vote for this bill.

Mr. OTTER. Mr. Speaker, I rise today to urge my colleagues to join me in voting for H.R. 8, the ''Death Tax Elimination Act of 2001.'' As a cosponsor of this bill, I fully support eliminating the death tax. This bill keeps our promise to pass death tax relief as part of President Bush's budget plan.

The Death Tax Elimination Act of 2001 will eliminate the death tax over 10 years, without harming the surplus or raiding Social Security. In fact, the Heritage Foundation estimates that repealing the death tax will create 145,000 additional jobs in the 9 years after the tax is repealed. These employment gains will come, not just from the additional businesses that stay open because they don't have to be liquidated to pay tax, but also from the effect repealing the estate tax will have on keeping interest rates low.

The death tax is an egregious and punitive part of our Tax Code for every American, but it is especially hurtful to rural areas. The death tax forces farmers to sell land that has been in their families since pioneer days, and forces small businessmen to sell the companies that are often the only providers of their service in a community. Often these services are then filled, not from within the same community, but from providers in cities literally hundreds of miles away. To make matters worse, the capital generated from these sales flows out of the rural communities into large city banks and markets. In short, every dime wrenched out of rural Idaho by the estate tax causes many dollars worth of suffering.

I am glad that we will pass the death tax repeal today. It will provide a much needed stimulus for our economy, encourage family farming and small business formation, and restore much needed fairness to our Tax Code. I urge my colleagues to join me in voting for H.R. 8.

Mr. CRENSHAW. Mr. Speaker, as an original cosponsor of H.R. 8, I rise in strong support of this full repeal of the estate tax.

It has been discouraging, Mr. Speaker, to see this debate degenerate into a sort of class warfare. This is not about rich and poor. It is not about whether rich people deserve a tax break. It is not even about who pays the most in taxes. It is about fairness, plain and simple.

It is just unfair that any one should pay a 55-percent tax on their business, their home, or their farm. It is still more unfair that this enormous burden be placed on families just at the moment a loved one passes on. There is no time for bereavement, no time for grief. The taxman comes to the door of the funeral home and, as my local paper sees it, steals the pennies off a dead man's eyes.

We ought to be able to pass along more than just memories to our children. We work a lifetime to build a home, a business, a legacy that we can leave for our children. With the death tax, our children are forced to sell a part of that inheritance just to be able to afford the other part. And, Mr. Speaker, inheritance should not be a dirty word.

This is not for the wealthy few, as some would have us believe. According to the Treasury Department, 45,000 families paid estate taxes in 1999, and it is estimated that twice as many sold off their legacy before they died so that their families would not be saddled with this burden. That is just too much time and effort put into keeping our family businesses in the family.

I have spoken to many constituents who own small businesses in my district and want their children to carry on those enterprises in the future. These are the mom and pop shops that form the backbone of Main Street, America. What right have we to stand in their way with this unfair tax?

I urge my colleagues to support these businesses and to vote for this bill. Today, we will once and for all fully repeal the death tax.

Mr. GILMAN. Mr. Speaker, I rise today in strong support of H.R. 8, the Death Tax Elimination Act of 2001 and I urge my colleagues to lend this measure their support.

The estate tax is an outmoded policy that has long outlived its usefulness. Alternatively known as the death tax, this tax was instituted in 1916 to prevent too much wealth from congregating with the wealthy capitalist families in early 20th century America. Regrettably, the law failed in its original purpose, as the truly wealthy are always able to shelter their income with the help of tax attorneys which the middle-class cannot afford.

It has been estimated that the estate tax has been responsible for the demise of 85 percent of American small business by the third generation. Furthermore, countless number of farms have had to be sold in order to pay an outrageously high estate tax, ranging as high as 55 percent of the farms assessed value.

By forcing the sale of such farmland to outside buyers, often commercial developers, the estate tax has been a substantial contributor to suburban sprawl and unchecked growth in many parts of the country.

The most indefensible point about the estate tax, however, is the cost associated with enforcing and collecting it. Estimates cited in a Joint Committee on Taxation report issued last year placed the cost of collecting estate taxes at 65 cents out of every dollar taken in.

Considering this cost, as well as the fact that the assets taxed under the estate tax have often already been taxed several times, it makes no sense to continue this nonsensical practice. Family-owned small business certainly would do better without the estate tax, as would family farms that still operate from generation to generation.

Accordingly, I urge my colleagues to join in supporting this legislation.

Ms. BALDWIN. Mr. Speaker, I oppose H.R. 8, the Death Tax Elimination Act. While I support reform of the estate tax, full repeal provides benefits only to the wealthiest in our society. The vast majority of the people I represent will receive no benefit from this tax cut at all. According to the bi-partisan congressional Joint Tax Committee, fewer than two percent of all estates (about 48,000) pay the estate tax. In Wisconsin, only 828 estates had any estate tax liability in 1998.

I strongly believe it is time to deliver estate tax relief to Wisconsin family farms and small businesses. However, H.R. 8 isn't the way to do it. H.R. 8 would repeal the estate tax gradually over ten years at a cost of $192 billion. This legislation reduces the rates on the largest estates first while providing no tax relief to the majority of smaller estates. Estates of less than $2.5 million get no relief until 2004.

I support the Democratic alternative that provides estate tax relief targeted to family farms and small businesses. This alternative would cost a reasonable $40 billion over ten years, and includes an immediate $2 million exclusion from estate taxes ($4 million per couple) increasing to $2.5 million by 2010 ($5 million per couple). Two-thirds of all estates that pay tax under current law would be exempt, and 99.4 percent of all farms would also be exempt. H.R. 8 makes small businesses and family farmers wait for ten years.

I support this fiscally sensible alternative that targets relief to farmers and small businesspeople while protecting our ability to pay down the debt and shore up the long-term solvency of Social Security and Medicare.

Mr. BEREUTER. Mr. Speaker, this Member rises today to express his conditional support for H.R. 8, the ''Estate Tax Elimination Act.'' This Member's vote today for H.R. 8 is based only on his desire to move the inheritance tax reform process forward, for the current legislation is at worst a faulty product and at best only a shadow of what could be beneficially

done to reduce the inheritance tax burden on most Americans who now and in the future are actually subject to such taxes. Don't be confused, in its current form H.R. 8 is not the Bush tax cut plan! Supporters will argue it is, but that is emphatically not the case. Many of this Member's small business, farm, and ranch families would be better off with no bill, as if H.R. 8, in its current form, is passed into law, then they would end-up paying more taxes than if H.R. 8 had not been passed into law at all.

However, this Member does not support the complete repeal of the Federal inheritance tax. Nor does this Member support the focus of H.R. 8, as amended by the Ways and Means Committee, which is now concentrated initially on eliminating the top estate tax rates above 50 percent and only subsequently on lowering the marginal tax rates by only a few percentage points each year. Rather this Member believes that the only way to ensure that his Nebraska and all American small business, farm and ranch families benefit from estate tax reform is to dramatically and immediately increase the Federal inheritance tax exemption level.

This Member is a long-term advocate of inheritance tax reduction, especially in regard to protecting small businesses and family farms and ranches. This Member believes that inheritance taxes unfortunately do adversely and inappropriately affect Nebraskan small business and family farmers and ranchers when they attempt to pass this estate from one generation to the next.

Accordingly, to demonstrate this Member's very real support for inheritance tax reform, this Member on January 3, 2001, the first day of the 107th Congress, introduced the Estate Tax Relief Act (H.R. 42). This Member introduced this legislation, which currently has 28 cosponsors, after consulting with different Nebraska farm and business groups. This measure would provide immediate, essential Federal estate tax relief by immediately increasing the Federal estate tax exclusion to $10 million effective upon enactment. (With some estate planning, a married couple could double the value of this exclusion to $20 million. As a comparison, under the current law for year 2001, the estate tax exclusion is only $675,000.) In addition, H.R. 42 would adjust this $10 million exclusion for inflation thereafter. The legislation would decrease the highest Federal estate tax rate from 55 percent to 39.6 percent effective upon enactment, as 39.6 percent is currently the highest Federal income tax rate. Under the bill, the value of an estate over $10 million would be taxed at the 39.6 percent rate. Under current law, the 55 percent estate tax bracket begins for estates over $3 million. Finally, H.R. 42 would continue to apply the stepped-up capital gains basis to the estate, which is provided in current law.

Since this Member believes that H.R. 42 or similar legislation is the only way to provide true estate tax reduction for our nation's small business, farm and ranch families, this Member is also voting in support of the Rangel Substitute. This Member is supporting the Substitute for the following two reasons:

First, the Substitute provides an immediate increase in the exclusion from $675,000 to $2 million, or $4 million per couple with a modicum of estate planning, and phases-in a $2.5 million exclusion by 2002 (in $100,000 increments every other year);

Second, and very important, the Substitute retains current law which provides for a ''stepped-up basis,'' whereby the value of property transferred to an heir is based on its fair-market value at the time of the deceased's death, not at the time the deceased acquired the property. This allows an individual who inherits property to avoid paying capital gains taxes on the increased value of inherited property that occurred during the lifetime of the decedent.

At this point it should be noted that under H.R. 8, beginning in 2011, the ''stepped-up basis'' is eliminated (with two exceptions) such that the value of inherited assets would be ''carried-over'' from the deceased. Therefore, H.R. 8 could result in unfortunate tax consequences for some heirs as the heirs would have to pay capitals gains taxes on any increase in the value of the property from the time the asset was acquired by the deceased until it was sold by the heirs—resulting in a higher capital gain and larger tax liability for the heirs than under the current ''stepped-up'' basis law.

This Member also believes it would be a great political error and controversy to eliminate the inheritance tax on billionaires or mega-millionaires. Also, the very negative impact on the largest of the charitable contributions and the establishment of charitable foundations cannot be underestimated. The benefits of these foundations to American society are invaluable. Our universities and colleges, too, would see a very marked reduction in the gifts they receive if the inheritance tax on the wealthiest Americans was totally eliminated.

In a recent Congressional Research Service (CRS) Report to Congress, entitled, Estate and Gift Taxes: Economic Issues, it is noted that ''One group that benefits from the presence of an estate and gift tax is the non-profit sector, since charitable contributions can be given or bequeathed without paying tax.'' Furthermore, the CRS report notes that ''over 6 percent of assets of those filing estate tax returns are left to charities; 15 percent of the assets of the highest wealth class are left to charity.'' The CRS report also cites the results of a study by David Joulfaian, Estate Taxes and Charitable Bequests by the Wealth, National Bureau of Economic Research Working Paper 7663, April 2000, which found that charitable bequests are very responsive to the estate tax, and indeed that the charitable deduction is ''target efficient'' in the sense that it induces more charitable contributions than it loses in revenue.

Despite the legal talents the super-rich can afford, such an inheritance tax change would have major consequences. The total elimination of the inheritance tax is a bad idea.

Again, this Member's vote today for this legislation should be regarded only as a demonstration of his desire to move the inheritance tax reform process forward and of this Member's strong conviction that only by increasing dramatically and immediately the exemption level to the Federal inheritance tax will real estate tax reform be realized for middle class Americans.

Finally, Mr. Speaker, if H.R. 8 passes the House today, it goes to an uncertain future in the Senate. However, if the Senate does indeed pass H.R. 8 in its current form or similarly defective and damaging legislation and subsequently a conference report comes back to the House in that form, my responsibilities to represent my constituents and my moral responsibility will cause this Member to vote against it.

Ms. HARMAN. Mr. Speaker, today I am voting for two bills to revise the estate tax. Neither is a perfect answer, and my votes signify my eagerness to work with both parties to craft a bipartisan solution.

I support tax relief in the context of a responsible budget that ''spends'' our surplus wisely. Estate tax relief should be part of this budget.

The present estate tax system hurts small businesses and hard-working families in the South Bay and elsewhere and it needs to change.

We need immediate relief—not the promise of relief in 11 years, which is the essence of H.R. 8. We need a higher exemption—up to $4 million—which is the subject of a bipartisan letter I signed to President Bush. We should also consider the notion in H.R. 8 to subject appreciated property to capital gains tax—but we should do it in a way that does not impose new burdens on those presently exempt from estate tax.

This is a work in progress. I reserve judgment on the final product. Today, my votes signify my willingness to engage the conversation.

Mr. CASTLE. Mr. Speaker, I strongly support tax relief for all Americans. Broad based-tax relief this year should include significantly reducing the estate tax. Today, I am voting for immediate reform of the estate tax to protect families, small businesses and family farms. This plan would cut the estate tax by immediately increasing the exemption from $675,000 to $2 million for an individual and $4 million per couple in 2002 and increasing it to $2.5 million for an individual and $5 million per couple by 2010. I am voting for immediate relief from estates taxes to all those affected by it. This reform would exempt most Americans from any estate taxes.

We must act to continue to reduce the estate tax to protect small businesses and family farms. Yet, today's proposal to completely repeal the tax is not the best approach. First, we can provide immediate and broad relief from the estate tax to more Americans affected by exempting more families without completely repeal. Second, attempting to enact complete repeal at this time makes it more difficult to provide other tax relief for more Americans, including small businesses. The President's plan calls for $1.62 trillion in tax cuts in the next 10 years. This estate repeal proposal could jeopardize the entire tax relief and balanced budget plan.

This year I have voted with strong majorities in this House to reduce income tax rates for all Americans, provide marriage penalty relief, and increase the child tax credit. I want to provide more tax relief to Americans by allowing them to save more in IRA's, 401(k)a and other pensions. In addition, there are worthwhile proposals to reduce taxes by allowing more Americans to deduct their charitable contributions, increase education IRAs, expand deductibility of health care costs, and provide businesses with permanent credit for investing in research and development. It will be much more difficult to address these issues within our balanced budget plan if we insist on total repeal of the estate tax now. The current approach to estate tax repeal leaves far too little—only $70 billion over ten years—to cut taxes for millions of other Americans.

We should provide tax relief as soon as possible. As currently constructed, H.R. 8 would not repeal the estate tax until 2011. Until that time, the top estate tax rate will still be over 50 percent. We would help more families right away by increasing the estate tax exemption to $2.5 million for individuals and $5 million for a couple. We should also reduce the top rate. Unfortunately, today, we have a weaker proposal that delays repeal for ten years. Instead of a weak repeal proposal, we could have a plan that provides immediate relief within our budget limits.

All tax relief should help as many Americans as possible while maintaining our ability to pay down the debt and balance the budget. Today's proposal for complete repeal does not meet this test. It makes it more difficult to provide other tax relief and it would have a tremendous negative impact on the budget in 2011, just at the time we will need additional resources for the retiring Baby Boom generation.

Fortunately, today's debate is just one step in the legislative process. We can reduce the estate tax this year. I hope the political jockeying will end soon so we get down to negotiating a balanced tax relief plan that cuts the estate tax and that can pass Congress and be signed into law.

Mr. COYNE. Mr. Speaker, I support—and have voted in support of—estate tax relief, but I cannot support repeal of the estate tax. Moreover, even if my colleagues favor repeal of the estate tax, they should oppose H.R. 8. This is an irresponsible, inequitable, and misleading piece of legislation.

This bill is irresponsible because of the impact it will have on the federal budget. This legislation repeals the estate tax over time—over a long time. The repeal of the estate tax provided for in H.R. 8 doesn't fully phase in until 2011—about the time that the federal government's non-Social Security surpluses are projected to end. Does it make sense to cut federal receipts by over $60 billion a year just when the government is expected to run massive deficits—as the number of senior citizens on Social Security, Medicare, and Medicaid is expected to double and expenditures on those programs explode?

Obviously, it goes without saying that a tax cut that is not fully phased in for ten years will do little to stimulate the economy in the short term. The Democratic alternative—which I support, but which was rejected on a party-line vote in the Ways and Means Committee—would, in contrast, provide immediate relief to farmers and small family businesses.

And that brings me to another important point. H.R. 8, by phasing in repeal of the estate tax over such a long period of time, conceals the actual cost of repealing the estate tax. I consider this to be a fairly dishonest tactic, but it is of a piece with the Republican plan for enacting President Bush's tax cut plan. By breaking the larger package of tax cuts into smaller, less threatening bills, and passing them before we ever see the spending cuts that President Bush will propose to pay for them, the Administration and Congressional Republicans are, in my opinion, being deceptive, dishonest, and irresponsible. As I have mentioned in my previous floor statements on H.R. 3 and H.R. 6, I support fair and responsible reductions in marginal tax rates, as well as legislation to fix the marriage penalty. And I support estate tax relief for family farms and small businesses. But I believe that such major changes in tax law should not be considered piecemeal, but rather in the context of thoughtful, comprehensive, and honest debate on federal spending and tax policy in the coming decades. I believe that the intent behind the long phase-in of the estate tax repeal—like the phase-ins in the other Republican tax cut bills—is to conceal the true cost of these tax cuts and obscure the trade-offs that enactment of these tax cuts will require.

Finally, I want to explain why I oppose repeal of the estate tax. As it is currently structured, the estate tax affects only the most affluent 2 percent of households—and when the changes in the estate tax that Congress passed with my support in 1997 are fully phased in, the estate tax will only affect taxpayers with more than $1 million in assets and married couples with more than $2 million in assets. Repeal of the estate tax would seriously reduce the progressivity of the federal tax code, which already places as much of a burden on middle class families as it does on the wealthiest families in America. I see such an outcome as fundamentally unfair. I believe that if Congress is going to pass a $200 billion tax relief bill today, it should provide tax relief to the families that are most in need of tax relief—families with incomes of $15,000, $25,000, or $40,000—not millionaires.

Consequently, I must oppose this legislation, and I will support the Democratic alternative for estate tax relief—a smaller, more responsible package of tax cuts that would help the small family farms and businesses that the Republicans always mention when arguing for estate tax relief. The Democratic alternative does more to help farmers and family businesses over the next 5 years than the Republican bill. I urge my colleagues to support this alternative.

Mr. MANZULLO. Mr. Speaker, I rise in strong support of today's bill, the ''Death Tax Elimination Act'', H.R. 8.

This bill would end one of the most burdensome taxes in the federal tax code-the death tax, by repealing estate and gift taxes over the next ten years. The death tax stifles growth, kills jobs, discourages savings, drains resources, and ruins small and family businesses and farms.

In effect, the death tax punishes small entrepreneurs for their hard work. Millions of Americans spend a lifetime working and investing in a small business or family farm for their families and for their communities—only to have the IRS confiscate more than half of it away at their death. This is a terrible injustice. Unreasonably steep death taxes force families to sell or break up small ventures and farms or to liquidate assets.

Two examples in my district alone include the Beuth and Hall families. Richard and Judy Beuth of Seward, Illinois almost lost the family farm three years ago when Richard's father died and the IRS hit them with a huge $185,000 death tax bill. Similarly, the Hall family in Ogle County had to sell equipment, sell part of their land, and take out huge loans to pay a whopping $2.7 million death tax bill they received shortly after their father died in 1996.

Unambiguously, the death tax is hurting middle-class Americans. The great irony of this tax is that it encourages frivolous, selfish spending and discourages savings and investment. Over 80% of small businesses must spend costly resources to protect against the death tax so they can pass something on to their children. This hurts women-owned and minority-owned small businesses the hardest.

According to the Center for the Study of Taxation, 70% of family businesses don't survive through the second generation and nearly 90% do not make it through the third. Worse, 9 out of 10 successors whose family business failed within three years of the death of the original owner said difficulty paying the death tax played a major role in that failure. It's time to end this immoral and counterproductive tax.

I urge all my colleagues to support small business by supporting this common sense, bipartisan legislation.

Mr. GRAVES. Mr. Speaker it is time that we kill the death tax. Many of my colleagues and many in the media have argued that this tax is justified because it only affects the wealthy—well, Mr. Speaker, that is wrong. The victims who are hit the hardest by this tax are the family members of middle-class, hard-working Americans—small business owners and employees, family farmers and ranchers. The Death tax penalizes the sons and daughters of the local hardware store owners, farmers, and grocers the most. The Death Tax punishes those who spend their lifetime building a small business or running a farm in the sincere hope that they will be able to leave the fruits of that labor to their children and grandchildren.

When a small business owner of farmer passes, too often the business or farm must be divided, sold, or shut down, because the tax penalty is so great. The loss of that small business is devastating to the employees and to the local community.

For the small businesses and family farmers in the 6th District of Missouri, I am proud to support the Death Tax Elimination Act. The Death Tax is not an issue of politics or partisanship, but rather, it is an issue of fairness, family, community and keeping the American Dream alive for the children and grandchildren of this nation.

Mr. LANGEVIN. Mr. Speaker, I rise today in strong opposition to H.R. 8, the Death Tax Elimination Act. However, as a member of the Small Business Committee, I am aware of the tax burden under which many entrepreneurs and working families must operate, which is why I plan to vote for the Democratic substitute. I support efforts to protect small business owners and will work to ensure that they are not forced to sell businesses that have remained in their families for generations in order to pay estate taxes.

Unfortunately, H.R. 8 does not effectively target the small businesses and family farms that are in greatest need of assistance. It would allow the wealthiest two percent of our population to pass wealth to their heirs without taxation, while hard working families would continue to be taxed on every dollar earned. It would also have a devastating impact on charities, foundations, universities and other philanthropic organizations. This legislation would cause enormous revenue losses and threaten our ability to address national priorities like extending the solvency of Social Security and Medicare, reducing our national debt, implementing a prescription drug benefit for seniors and improving education and health care.

As the third installment of President Bush's $1.6 trillion tax cut package, H.R. 8 would gradually reduce and then fully repeal the estate tax over a ten-year period. The Joint

Committee on Taxation has estimated that this measure would reduce revenues by more than $192 billion over the next decade. Moreover, repealing the estate tax will cost states about $6 billion annually, possibly forcing them to make up the revenue through other tax or fee increases. Perhaps most important of all, the benefit of H.R. 8 to my constituents would be minimal.

Based on Internal Revenue Service data for 1998, estimates show that of 10,000 deaths in my home state, only 361 Rhode Island decedents filed estate tax returns and only 187 returns resulted in an estate tax liability. In a similar study that same year, the IRS also found that only two percent of decedents nationwide—or 47,483 estates—were impacted by the federal estate tax. In fact, 3,000 of the most affluent individuals in the country paid more than half of all the estate taxes that year.

If we are truly concerned about the small business owners and family farmers who are adversely affected by the estate tax, we should pass the Democratic substitute. This sensible reform would immediately exclude over 75 percent of estates by increasing the exemption to $2 million per individual and $4 million per couple. As a result, only ½ of one percent of all decedents would pay the estate tax. Additionally, 99 percent of all farms would be exempt. Under our proposal, those eligible middle-income families, small business owners and family farmers truly in need would receive estate tax relief. Furthermore, they would receive the benefit now, rather than waiting years for relief, as required under the Republican plan.

This measure, included with the tax cut plan and budget resolution already passed by the House, would exceed the projected budget surplus and require deep cuts in non-defense discretionary funding. Therefore, I urge my colleagues to vote against this fiscally irresponsible measure and support the Democratic substitute. It ensures that small businesses and family farms can be preserved from one generation to the next, while retaining some of our budget surplus to pay down the debt, ensure the solvency of Social Security and Medicare, and allocate critical funding for our national priorities.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. RANGEL

Mr. RANGEL. Mr. Speaker, I offer an amendment in the nature of a substitute.

The SPEAKER pro tempore (Mr. LAHOOD). The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute offered by Mr. RANGEL:

Strike all after the enacting clause and insert the following:

SECTION 1. AMENDMENT OF 1986 CODE.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

SEC. 2. INCREASE IN EXEMPTION EQUIVALENT OF UNIFIED CREDIT.

(a) IN GENERAL.—Subsection (c) of section 2010 (relating to applicable credit amount) is amended by striking the table and inserting the following new table:

"In the case of estates of decedents dying, and gifts made, during:	**The applicable exclusion amount is:**
2002	$2,000,000
2003 and 2004	$2,100,000
2005 and 2006	$2,200,000
2007 and 2008	$2,300,000
2009	$2,400,000
2010 or thereafter	$2,500,000.''

(b) REPEAL OF SPECIAL BENEFIT FOR FAMILY-OWNED BUSINESS INTERESTS.—

(1) Section 2057 is hereby repealed.

(2) Paragraph (10) of section 2031(c) is amended by inserting ''(as in effect on the day before the date of the enactment of this parenthetical)'' before the period.

(3) The table of sections for part IV of subchapter A of chapter 11 is amended by striking the item relating to section 2057.

(c) CORRECTION OF TECHNICAL ERROR AFFECTING LARGEST ESTATES.—Paragraph (2) of section 2001(c) is amended by striking ''$10,000,000'' and all that follows and inserting ''$10,000,000. The amount of the increase under the preceding sentence shall not exceed the sum of the applicable credit amount under section 2010(c) and $359,200.''

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying, and gifts made, after December 31, 2001.

SEC. 3. CREDIT FOR STATE DEATH TAXES REPLACED WITH DEDUCTION FOR SUCH TAXES.

(a) REPEAL OF CREDIT.—Section 2011 (relating to credit for State death taxes) is hereby repealed.

(b) DEDUCTION FOR STATE DEATH TAXES.—Part IV of subchapter A of chapter 11 is amended by adding at the end the following new section:

''SEC. 2058. STATE DEATH TAXES.

''(a) ALLOWANCE OF DEDUCTION.—For purposes of the tax imposed by section 2001, the value of the taxable estate shall be determined by deducting from the value of the gross estate the amount of any estate, inheritance, legacy, or succession taxes actually paid to any State or the District of Columbia, in respect of any property included in the gross estate (not including any such taxes paid with respect to the estate of a person other than the decedent).

''(b) PERIOD OF LIMITATIONS.—The deduction allowed by this section shall include only such taxes as were actually paid and deduction therefor claimed within 4 years after the filing of the return required by section 6018, except that—

''(1) If a petition for redetermination of a deficiency has been filed with the Tax Court within the time prescribed in section 6213(a), then within such 4-year period or before the expiration of 60 days after the decision of the Tax Court becomes final.

''(2) If, under section 6161 or 6166, an extension of time has been granted for payment of the tax shown on the return, or of a deficiency, then within such 4-year period or before the date of the expiration of the period of the extension.

''(3) If a claim for refund or credit of an overpayment of tax imposed by this chapter has been filed within the time prescribed in section 6511, then within such 4-year period or before the expiration of 60 days from the date of mailing by certified mail or registered mail by the Secretary to the taxpayer of a notice of the disallowance of any part of such claim, or before the expiration of 60 days after a decision by any court of competent jurisdiction becomes final with respect to a timely suit instituted upon such claim, whichever is later.

Refund based on the deduction may (despite the provisions of sections 6511 and 6512) be made if claim therefor is filed within the period above provided. Any such refund shall be made without interest.''

(c) CONFORMING AMENDMENTS.—

(1) Subsection (a) of section 2012 is amended by striking ''the credit for State death taxes provided by section 2011 and''.

(2) Subparagraph (A) of section 2013(c)(1) is amended by striking ''2011,''.

(3) Paragraph (2) of section 2014(b) is amended by striking '', 2011,''.

(4) Sections 2015 and 2016 are each amended by striking ''2011 or''.

(5) Subsection (d) of section 2053 is amended to read as follows:

''(d) CERTAIN FOREIGN DEATH TAXES.—

''(1) IN GENERAL.—Notwithstanding the provisions of subsection (c)(1)(B) of this section, for purposes of the tax imposed by section 2001, the value of the taxable estate may be determined, if the executor so elects before the expiration of the period of limitation for assessment provided in section 6501, by deducting from the value of the gross estate the amount (as determined in accordance with regulations prescribed by the Secretary) of any estate, succession, legacy, or inheritance tax imposed by and actually paid to any foreign country, in respect of any property situated within such foreign country and included in the gross estate of a citizen or resident of the United States, upon a transfer by the decedent for public, charitable, or religious uses described in section 2055. The determination under this paragraph of the country within which property is situated shall be made in accordance with the rules applicable under subchapter B (sec. 2101 and following) in determining whether property is situated within or without the United States. Any election under this paragraph shall be exercised in accordance with regulations prescribed by the Secretary.

''(2) CONDITION FOR ALLOWANCE OF DEDUCTION.—No deduction shall be allowed under paragraph (1) for a foreign death tax specified therein unless the decrease in the tax imposed by section 2001 which results from the deduction provided in paragraph (1) will inure solely for the benefit of the public, charitable, or religious transferees described in section 2055 or section 2106(a)(2). In any case where the tax imposed by section 2001 is equitably apportioned among all the transferees of property included in the gross estate, including those described in sections 2055 and 2106(a)(2) (taking into account any exemptions, credits, or deductions allowed by this chapter), in determining such decrease, there shall be disregarded any decrease in the Federal estate tax which any transferees other than those described in sections 2055 and 2106(a)(2) are required to pay.

''(3) EFFECT ON CREDIT FOR FOREIGN DEATH TAXES OF DEDUCTION UNDER THIS SUBSECTION.—

''(A) ELECTION.—An election under this subsection shall be deemed a waiver of the right to claim a credit, against the Federal estate tax, under a death tax convention with any foreign country for any tax or portion thereof in respect of which a deduction is taken under this subsection.

''(B) CROSS REFERENCE.—

''See section 2014(f) for the effect of a deduction taken under this paragraph on the credit for foreign death taxes.''

(6) Subparagraph (A) of section 2056A(b)(10) is amended—

(A) by striking ''2011,'', and

(B) by inserting ''2058,'' after ''2056,''.

(7)(A) Subsection (a) of section 2102 is amended to read as follows:

''(a) IN GENERAL.—The tax imposed by section 2101 shall be credited with the amounts

determined in accordance with sections 2012 and 2013 (relating to gift tax and tax on prior transfers).''

(B) Section 2102 is amended by striking subsection (b) and by redesignating subsection (c) as subsection (b).

(C) Section 2102(b)(5) (as redesignated by subparagraph (B)) and section 2107(c)(3) are each amended by striking ''2011 to 2013, inclusive,'' and inserting ''2012 and 2013''.

(8) Subsection (a) of section 2106 is amended by adding at the end the following new paragraph:

''(4) STATE DEATH TAXES.—The amount which bears the same ratio to the State death taxes as the value of the property, as determined for purposes of this chapter, upon which State death taxes were paid and which is included in the gross estate under section 2103 bears to the value of the total gross estate under section 2103. For purposes of this paragraph, the term 'State death taxes' means the taxes described in section 2011(a).''

(9) Section 2201 is amended—

(A) by striking ''as defined in section 2011(d)'', and

(B) by adding at the end the following new flush sentence:

''For purposes of this section, the additional estate tax is the difference between the tax imposed by section 2001 or 2101 and the amount equal to 125 percent of the maximum credit provided by section 2011(b), as in effect before its repeal by the Tax Reduction Act of 2001.''

(10) Paragraph (2) of section 6511(i) is amended by striking ''2011(c), 2014(b),'' and inserting ''2014(b)''.

(11) Subsection (c) of section 6612 is amended by striking ''section 2011(c) (relating to refunds due to credit for State taxes),''.

(12) The table of sections for part II of subchapter A of chapter 11 is amended by striking the item relating to section 2011.

(13) The table of sections for part IV of subchapter A of chapter 11 is amended by adding at the end the following new item:

''Sec. 2058. State death taxes.''

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying after December 31, 2001.

SEC. 4. VALUATION RULES FOR CERTAIN TRANSFERS OF NONBUSINESS ASSETS; LIMITATION ON MINORITY DISCOUNTS.

(a) IN GENERAL.—Section 2031 (relating to definition of gross estate) is amended by redesignating subsection (d) as subsection (f) and by inserting after subsection (c) the following new subsections:

''(d) VALUATION RULES FOR CERTAIN TRANSFERS OF NONBUSINESS ASSETS.—For purposes of this chapter and chapter 12—

''(1) IN GENERAL.—In the case of the transfer of any interest in an entity other than an interest which is actively traded (within the meaning of section 1092)—

''(A) the value of any nonbusiness assets held by the entity shall be determined as if the transferor had transferred such assets directly to the transferee (and no valuation discount shall be allowed with respect to such nonbusiness assets), and

''(B) the nonbusiness assets shall not be taken into account in determining the value of the interest in the entity.

''(2) NONBUSINESS ASSETS.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'nonbusiness asset' means any asset which is not used in the active conduct of 1 or more trades or businesses.

''(B) EXCEPTION FOR CERTAIN PASSIVE ASSETS.—Except as provided in subparagraph (C), a passive asset shall not be treated for purposes of subparagraph (A) as used in the active conduct of a trade or business unless—

''(i) the asset is property described in paragraph (1) or (4) of section 1221(a) or is a hedge with respect to such property, or

''(ii) the asset is real property used in the active conduct of 1 or more real property trades or businesses (within the meaning of section 469(c)(7)(C)) in which the transferor materially participates and with respect to which the transferor meets the requirements of section 469(c)(7)(B)(ii).

For purposes of clause (ii), material participation shall be determined under the rules of section 469(h), except that section 469(h)(3) shall be applied without regard to the limitation to farming activity.

''(C) EXCEPTION FOR WORKING CAPITAL.—Any asset (including a passive asset) which is held as a part of the reasonably required working capital needs of a trade or business shall be treated as used in the active conduct of a trade or business.

''(3) PASSIVE ASSET.—For purposes of this subsection, the term 'passive asset' means any—

''(A) cash or cash equivalents,

''(B) except to the extent provided by the Secretary, stock in a corporation or any other equity, profits, or capital interest in any entity,

''(C) evidence of indebtedness, option, forward or futures contract, notional principal contract, or derivative,

''(D) asset described in clause (iii), (iv), or (v) of section 351(e)(1)(B),

''(E) annuity,

''(F) real property used in 1 or more real property trades or businesses (as defined in section 469(c)(7)(C)),

''(G) asset (other than a patent, trademark, or copyright) which produces royalty income,

''(H) commodity,

''(I) collectible (within the meaning of section 401(m)), or

''(J) any other asset specified in regulations prescribed by the Secretary.

''(4) LOOK-THRU RULES.—

''(A) IN GENERAL.—If a nonbusiness asset of an entity consists of a 10-percent interest in any other entity, this subsection shall be applied by disregarding the 10-percent interest and by treating the entity as holding directly its ratable share of the assets of the other entity. This subparagraph shall be applied successively to any 10-percent interest of such other entity in any other entity.

''(B) 10-PERCENT INTEREST.—The term '10-percent interest' means—

''(i) in the case of an interest in a corporation, ownership of at least 10 percent (by vote or value) of the stock in such corporation,

''(ii) in the case of an interest in a partnership, ownership of at least 10 percent of the capital or profits interest in the partnership, and

''(iii) in any other case, ownership of at least 10 percent of the beneficial interests in the entity.

''(5) COORDINATION WITH SUBSECTION (b).—Subsection (b) shall apply after the application of this subsection.

''(e) LIMITATION ON MINORITY DISCOUNTS.—For purposes of this chapter and chapter 12, in the case of the transfer of any interest in an entity other than an interest which is actively traded (within the meaning of section 1092), no discount shall be allowed by reason of the fact that the transferee does not have control of such entity if the transferee and members of the family (as defined in section 2032A(e)(2)) of the transferee have control of such entity.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers after the date of the enactment of this Act.

SEC. 5. EXPANSION OF ESTATE TAX RULE FOR CONSERVATION EASEMENTS.

(a) REPEAL OF LOCATION REQUIREMENT.—Subparagraph (A) of section 2031(c)(8) (defining land subject to a conservation easement) is amended by striking clause (i) and redesignating clauses (ii) and (iii) as clauses (i) and (ii), respectively.

(b) CLARIFICATION OF DATE FOR DETERMINING VALUE OF LAND AND EASEMENT.—Section 2031(c)(2) (defining applicable percentage) is amended by adding at the end the following new sentence: ''The values taken into account under the preceding sentence shall be such values as of the date of the contribution referred to in paragraph (8)(B).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying after December 31, 2000.

Amend the title so as to read: ''A bill to amend the Internal Revenue Code of 1986 to provide estate tax relief.''.

The SPEAKER pro tempore. Pursuant to House Resolution 111, the gentleman from New York (Mr. RANGEL) and the gentleman from California (Mr. THOMAS) each will control 30 minutes.

The Chair recognizes the gentleman from New York (Mr. RANGEL).

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. GREEN).

Mr. GREEN of Texas. Mr. Speaker, I thank the gentleman from New York (Mr. RANGEL) for yielding the time to me.

Mr. Speaker, I thought it was appropriate that our colleague from California (Mr. WAXMAN) talked about this, that what we are talking about today is the people's money, and it is the gold.

Mr. Speaker, I rise in opposition to H.R. 8 and in support of the substitute. And like my colleagues, I am troubled by the stories that families have to sell their farms and businesses because they cannot afford the estate tax; but we must reform it now, and not 10 years from now. We must continue the long-standing American tradition of families passing their businesses on from generation to generation.

We can do this in a financially responsible manner that alleviates the burden for most of those small businesses and farms now instead of 10 years from now. Again, my Republican colleagues would have us repeal the estate tax 10 years from now.

They support this bill we are talking about today. There is an east Texas saying that says it is called a wink, a prayer and a promise that is 10 years from now. That is all this is, Mr. Speaker.

In 10 years, this bill would provide tax relief for still less than 2 percent of the people. Let us have a tax cut for the other 98 percent of Americans not 10 years from now.

Mr. THOMAS. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I listened carefully to my colleague from California (Mr. WAXMAN), who has come up with a clever idea of awarding a pot painted gold, for whatever particular reason, that he believes serves his particular purposes.

However, what I did hear the gentleman say, though, was that he rose in

opposition to the Republican measure. I am sure the gentleman, who is not on the floor now, was probably not on the floor earlier when the cosponsor of H.R. 8, a Democrat, spoke in opposition to that.

There are a number of other Democrats who are interested in the repeal of the estate or death tax, not in some modification.

Mr. Speaker, to make sure that Members understand that this is a bipartisan proposal, I yield 2½ minutes to the gentleman from Hawaii (Mr. ABERCROMBIE).

(Mr. ABERCROMBIE asked and was given permission to revise and extend his remarks.)

Mr. ABERCROMBIE. Mr. Speaker, for those who do not think about this every day when they get up, this debate may seem rather esoteric and a bit almost beside the point; but for those of our constituents who are concerned about this issue, let me tell my colleagues, they think about it every day. They think about it all the time. They think about it in terms that are very, very personal to them.

I do not think that I have ever involved myself with a domestic issue that has had the same kind of impact personally, psychologically, and emotionally as this issue has had with my constituents. People that I have known personally in the islands for the better part of four decades, many of whom have not agreed with me philosophically, ideologically in terms of politics are united around this issue. And the fact that it may not provide every aspect, every element that they would like to see in terms of immediacy; the fact that they will have to come to grips with capital gains taxation that they might not otherwise have anticipated; and the fact that they understand that this bill is in a process of becoming that what passes today is unlikely to be the final answer, that some of the immediacy that is involved in the substitute that the gentleman from New York (Mr. RANGEL) and others have put together in good faith may become part of the equation.

Those facts, yes, enter into it; but fundamentally, what they want is the passage of this bill, and they want to be able to see and say who is on their side on this. And I am afraid that our substitute, the amendment, as such, despite its good intentions, will not measure in that regard.

The other aspect of this that is very, very important and what hit me so hard is that this is a jobs bill. We tend not to look at that aspect of it. Businesses which have to be sold in order to meet the estate tax burden involve dozens, sometimes hundreds of people whose jobs, whose welfare, whose obligations, whose responsibilities are put in jeopardy. I do not think we can do that.

This is involved with families. This is involved in a way that people have a tremendous emotional commitment to, and I think as Democrats and Republicans we need to respond to it with an overwhelming vote in favor of the estate tax repeal.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I think the gentleman from California (Mr. THOMAS), chairman of my Committee on Ways and Means, is right. There are some Republicans, some Democrats that are emotionally involved with the concept of repeal, even if it does take place a decade from now, but the gentleman should know that a handful of donkeys running with a herd of elephants does not make a bipartisan bill.

Mr. Speaker, I yield 1 minute to the distinguished gentlewoman from California (Ms. ESHOO).

Ms. ESHOO. Mr. Speaker, I want to thank the gentleman from New York (Mr. RANGEL), our distinguished ranking member, for yielding the time to me.

Mr. Speaker, I support estate tax relief, and I think the American people deserve it, and they deserve it now.

The substitute is practical. It is immediate, and it is fiscally responsible at $40 billion over 10 years. It includes a $4 million exclusion for couples; and in California this eliminates the estate tax on all but 7 percent of California estates.

The Republican plan does not provide any real tax relief for 10 years, and I do not think people want to wait. Forty-five percent of the estate tax cut will not arrive until 2010 and 2011. At $200 billion, it is outrageously expensive.

When combined with the tax cuts already rammed through the House, we are already over $2 trillion in spending just on tax cuts alone. Where is the money to pay down the national debt, shore up our responsibilities for Social Security and Medicare and improve our Nation's schools?

Finally, and perhaps the biggest poison in the Republican plan, is that it will actually increase taxes for many families by adding a capital gains tax upon the inheritance of assets. This is the wrong way to go.

We should have it today. We should have it now. It should be affordable. That is exactly what this plan is.

Mr. THOMAS. Mr. Speaker, I yield 2½ minutes to the gentleman from Texas (Mr. BRADY), a member of the Committee on Ways and Means, who wants to have repeal of the estate tax rather than something less.

Mr. BRADY of Texas. Mr. Speaker, I want to thank the gentleman from California (Mr. THOMAS), chairman of the Committee on Ways and Means, for yielding the time to me.

My Democratic colleagues are right, we do not immediately start repeal of the death tax. This repeal is very graduated. It starts fairly slow, and it grows as we pay down more and more of the debt and as our surpluses grow; that is the responsible way to provide tax relief, while keeping our budget in order and keeping our economy growing.

The fact of the matter is there are a lot of reasons to support repeal of the death tax. Let me tell my colleagues one of mine. In my district, I had a local nursery come to me here in my office in Washington; they traveled all the way up here from Texas. They have three children. In the nursery, two of them have worked there ever since their parents founded it.

They sat down just at a desk around a table, just worked through the numbers on how the death tax and how the tax affected them; and as we worked through it, it became clear what happens with this tax and how it affects our small businesses and our family farms. Basically, when the numbers were finished, they showed that if they could afford enough life insurance on their parents and if they could get a bank loan, they might be able to keep their own family business.

Mr. Speaker, think about what they are saying. If we can make enough money off of our parents' death and if we can go back in to debt, which they had worked their whole life to get out of, they might be able to keep their own family business.

The death tax is wrong. It has been ruining lives for four generations in America, and it is time to stop it. There is a difference, though, between the Democratic proposal and the Republicans. Ours goes with the principles that it is flat wrong. Theirs keeps it and keeps it for another principle, that Washington should pick winners and losers in our Tax Code.

In their bill, we say to some family farms, you are our type, you win; but to others and to the family grocery store in the same community, you lose.

They say to the print shop in the community that is family owned, you win; but to the family newspaper right next to it, you lose. You are not our type.

Washington has been picking winners and losers for far too long. We need to be at the least fair, and that is why complete responsible repeal of the death tax is the right thing to do.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. BENTSEN).

(Mr. BENTSEN asked and was given permission to revise and extend his remarks.)

Mr. BENTSEN. Mr. Speaker, I rise in support of the Rangel substitute and opposition to the underlying bill. We have heard a lot of rhetoric on both sides about this and about the repeal.

The bottom line is we can make a decision today that is a practical public policy decision, or we can make a political decision. The political decision would be to pass H.R. 8 and hope that in 10 years or 11 years that the estate tax will be repealed; and the reason that is being put forth is because the repeal of the estate tax costs far more than the President thought it would, far more than our Republicans colleagues thought it would; and to make their budget work, they had to shoehorn this bill in.

Mr. Speaker, on the other hand, we can pass immediate relief today, raise the exemption to $4 million for most families going up by 2010 to $5 million, but $4 million beginning January 1, that will exempt down to 1 percent of all estates subject to any estate tax as opposed to the 2 percent of all estates that are subject to any estate tax.

I have to say to my colleague from Hawaii (Mr. ABERCROMBIE), I appreciate the fact of what family businesses have to go through; but there are 98 percent of other Americans who wake up every day trying to figure out how they are going to pay the bills, and we ought to think about them as well.

Mr. Speaker, I rise in strong opposition to H.R. 8, an ill-conceived, extraordinarily back-loaded measure that sacrifices fiscal prudence for political gains. We can fix the estate and gift tax while maintaining fiscal responsibility, and we should. But H.R. 8 is not the way to do it.

First of all, I would note that the proponents of H.R. 8 have been incredibly successful at convincing a great number of Americans that their estates will be taxed upon their death. Actually, as a result of existing exemptions, the estate tax only applies to fewer than 2% of all estates annually, according to the Joint Committee on Taxation (JCT). Current law exempts from federal tax all estates valued up to $675,000 in 2000. This exemption will rise to $1,000,000 by 2006, with any federal estate tax applying only to the current value in excess of this amount. For closely-held businesses and farms, this exemption is $2.6 million. Additionally, family farms are exempt from any tax for ten years if the heirs continue to operate the farm. Estates passed onto a spouse are not subject to tax.

Even with the small number of estates subjected to the estate tax, I agree and have consistently voted to significantly raise the exemption and eliminate the estate tax against most estates currently subject to such taxes. And, today the House can do just that by supporting not H.R. 8, but rather the Rangel substitute. In fact, by adopting the Rangel substitute the House could provide more relief to more estates, more quickly and more fairly than H.R. 8. Unlike H.R. 8, which is more of a charade than a solution, the Rangel substitute would immediately increase the exemption for all estates to $4 million in January 1, 2002 and raise the exemption to $5 million in 2010. Furthermore, unlike H.R. 8, the Rangel alternative would maintain the ''step up'' basis to preclude capital gains taxes from being applied.

Alternatively, H.R. 8 would do little, if anything, for estate tax relief until 2012. This bill is part of an elaborate charade supporting the Majority's budget folly which is driven by politics rather than policy. Between 2001 and 2011, H.R. 8 does not increase the exemption more than current law and only modestly cuts rates. When repeal is finally achieved in 2012, the bill would also repeal the ''step up'' basis, subjecting many estates, particularly non-liquid estates such as farms and small businesses, to large capital gains taxes and, in some cases, more than the estate tax owed under current law.

Mr. Speaker, H.R. 8 not only falsely-promises relief but its back-loaded nature camouflages the true costs of repealing the estate tax. As a result of its delayed repeal, the cost of the bill would jump from zero in 2002 and $13 billion in 2006 to $35 billion in 2010 and $52 billion in 2011, which is still well below the full cost. Further, because under the H.R. 8, the cost of repeal would not occur until the very end of the initial ten-year period, the $193 billion revenue loss resulting from the bill over the first ten years includes little of the revenue loss resulting from income tax avoidance that would ultimately occur.

During the second ten years (2012 to 2021), H.R. 8 would result in revenue losses totaling approximately $1.3 trillion, six times greater than the $193 billion cost in the first ten years. Looked at another way, the cost of H.R. 8 would nearly triple between the fifth and ninth years, jump another 50 percent between the ninth and tenth years, and continue growing after the tenth year. It is interesting to note that if H.R. 8 was to take effect this year, the JCT projects that the ten-year cost of the bill would be a whopping $662 billion. Thus, over twenty years, the total cost of H.R. 8, including extra interest, will be more than $1.5 trillion. Where does the Majority propose to make up the difference? How do they propose to pay for other priorities like Medicare, Social Security and improvements to education? It is fiscally irresponsible to enact this measure without identifying how these lost revenues will be recouped.

Mr. Speaker, I, therefore, urge those of my colleagues who are committed to providing immediate estate tax relief, particularly for small businesses and farms, to reject H.R. 8 and support the Rangel alternative. By supporting the Rangel substitute, you will be voting to not only double the exemption to $4 million now, not in 2012. You will be voting to maintain the ''step up'' basis and protect decedents from high capital gains taxes. And you will be voting for tax relief which is both fair and prudent without endangering our commitment to fiscal responsibility.

Mr. THOMAS. Mr. Speaker, I yield 1½ minutes to the gentleman from New York (Mr. HOUGHTON), a member of the Committee on Ways and Means.

Mr. HOUGHTON. Mr. Speaker, no bill is perfect; and we always have ways of trying to change legislation. I hate to be an ''aginner,'' and I do not mean to be a nitpicker, but every so often something just does not feel right, so I tend to vote not only against H.R. 8, but also against the Democratic substitute; and what I would like to do is explain why.

I think the eradication of the estate tax is wrong. I am sort of the camp of mend it, do not end it. And by ending it, what we do is we bring down upon ourselves, I think, a lot of unseen conveniences.

Let me give you an example. What are the incentives to giving to churches? What are the incentives of giving to educational institutions? What are the incentives of our total giving that is so intertwined with the concept of our taxation system the way we have it now?

Also when you buy a life insurance policy, you are looking for certainty; you are looking for predictability. The changes in that could be really horrendous.

Also, I really feel that it is not within the spirit of the Founding Fathers to develop sort of a leisure class, people with little incentive to work because you pass money down from one generation to the other to another, absolutely whole cloth.

While H.R. 8 is overkill, I feel a Democratic substitute is not right because it does not take into account the reduction in rates.

□ 1345

If we are really going to help the small farmers or the small businessmen or the people who are working, we have to reduce those rates. So I reluctantly oppose both bills.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Indiana (Mr. ROEMER), an outstanding Member of the House of Representatives.

Mr. ROEMER. Mr. Speaker, I thank my good friend, the gentleman from New York, for yielding me this time.

Mr. Speaker, I think the death tax is unwise, it is unfair, and really it is un-American. We need to reform it, but we need to do it now, and we need to do it fairly.

Under the proposal by the Republicans, the death tax would be phased out in the year 2011. Now, that means President Bush would have to finish out this term, his next term, get a constitutional amendment, and in the third year of his third term, the death tax might be gone. Members of Congress will have to run five times in order to tell their constituents by the year 2011 the death tax is finally gone.

Secondly, I voted last week for a bipartisan repeal of the marriage penalty and for a doubling of the child tax credit. I am for tax cuts that will fit in the package of responsible tax relief. We need to do it by giving relief to our farmers and small businesses, not to Ted Turner and Bill Gates.

I encourage my colleagues as a start to vote for the Rangel bill that, though not perfect, is a step in the right direction toward reform of the death tax.

Mr. THOMAS. Mr. Speaker, I yield myself 30 seconds. I wish to tell my friend from Indiana that I ran 10 times before I was given the ability to vote on a measure to repeal the death tax. So it took us a long time to get here. I might say it also required a change in the majority in the House of Representatives to reach this point.

I also want to note for the record that the Chronicle of Philanthropy found that the elimination of the death tax would result in a 63 percent increase in charitable giving because people would be willing to donate more if the tax man took less.

Mr. Speaker, I yield 2 minutes to the gentleman from Kentucky (Mr. FLETCHER).

Mr. FLETCHER. Mr. Speaker, I appreciate the opportunity to speak on this very important measure. We have two quite diverse views here. We have a side that presents here a substitute bill, and while we are glad to see that

they are finally coming around to realize that the death tax is wrong, unfortunately they have not quite seen the fact that our bill is based not just on how much money are we going to be able to keep in Washington, but, rather, on the principle that taxing someone twice, and their families after they have passed away, is wrong.

What we see on the other side is not a sincere interest, I believe, in whole of relieving this problem that we have, this unfairness in the Tax Code, but rather posturing themselves politically. Unfortunately, there is a lot of that done here. But, Mr. Speaker, though it is not a perfect bill that we have, H.R. 8, I would like to phase it in more quickly, we are working on a responsible way of phasing it in.

What is it about? It is, as the gentleman said, about jobs, and it is also about green space. We have a lot of beautiful farms in Kentucky, and every time one generation passes it on to the next, there is a large tax that requires them often to sell that farm for development.

There is a small family in a county that is a small county, a poor county, Nicholas County in Kentucky, where the community has lost half their industrial jobs this last year. A small Democratic family started a small business a few years ago with computerized lathe technology and machinists and has developed quite a company. What will happen to that company, if we keep the death tax the way it is, is that when he tries to pass that on to his children Lynn and Lee, they will have to sell the assets of that company. That company will then probably be moved to where most of the machinist work is done, in Cincinnati or Cleveland.

Please, vote down this substitute. Vote for H.R. 8 so we are able to keep the jobs, the green space, and to promote the politics of fairness.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Indiana (Mr. HILL).

Mr. HILL. Mr. Speaker, I would agree with my good friend from Kentucky that that bill is not a perfect bill. It is not even close to being a perfect bill.

I would ask the American people, or I would ask my constituents if they want tax relief now or they want tax relief 10 years from now? My guess is the constituents in my district would want that estate tax relief now.

Now, there are not many multimillionaires in my district in southern Indiana, but there are many family farmers and small business owners who have enough land and equipment and buildings to make them liable for the estate tax, and they want estate tax relief now, not like the Republican Party wants to give 10 years from now.

The Republicans give Indiana farmers and small business owners very little help if they die between now and the year 2011, but by raising the tax exemption to $4 million, like we want to do, my constituents and the American people get estate tax relief now. And I think that is what they want.

Mr. THOMAS. Mr. Speaker, I yield myself 30 seconds.

I note that the gentleman, in his exuberance, might have left a false impression that under the Democrat substitute every American has a $4 million exemption in their bill. That is not the case. In fact, it is far from it.

In addition to that, the gentleman apparently left the impression that we do not do anything about easing the relief of the death tax during the 10-year phase-down period. The gentleman knows full well that is not the case either. So as we carry on our discussions, I do hope that, to the best of our ability, we stick to the facts.

Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. WELDON).

Mr. WELDON of Florida. Mr. Speaker, I rise in opposition to this substitute and in strong support of the underlying bill.

Mr. Speaker, I want to tell you about a family in my congressional district in Kissimmee, the Sextons. They had a floral shop. Their uncle had a busy floral shop. He passed away and willed his shop to them. They had 17 employees, and the IRS came calling. They sold off as many assets as they could, but ultimately they had to take out a bank loan of $100,000 to pay off the IRS. What did they do to handle that? They had 17 employees, they laid off 5 permanently. They went to the 12 remaining employees and said, you will have to take up the slack for the other five employees that have left, which those 12 people did do. Then they completely ended all of their programs of donating money to local charities in the community. With that, they have been able to get through.

Now, the substitute, I will point out, might provide some more immediate relief, but in 10 years with inflation, we are going to be back where we are today. This is a very punitive tax, the inheritance tax. It is morally wrong to tax somebody at death after they have paid taxes their whole lifetime. The money in those estates has been generated after tax, and it is a double taxation at the time of death, and that is morally wrong. It costs jobs. It costs jobs in Kissimmee, Florida. It causes ranches and family farms to be cut up and sold off for development. That is why we have the environmentalists supporting our bill.

Mr. Speaker, I encourage all of my colleagues to vote no on the substitute, and vote for the underlying bill.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentlewoman from Florida (Mrs. THURMAN).

Mrs. THURMAN. Mr. Speaker, I would ask the gentleman from Florida (Mr. WELDON), based on the story he just told us, to support our substitute. Otherwise, in fact, my colleague is going to have many more of those same stories ahead of him between now and 2011, because the fact of the matter is that flower shop, based upon the liability talked about, was about $1 million. If my colleague joined us today, they would have relief immediately, not in 2011, which is important.

Mr. Speaker, let me just give some statistics about Florida that I think my colleagues will find very interesting.

In 1998, there were 155,000 deaths in Florida. Of that, there were 8,886 estate tax returns that were filed. Of that, only 4,144 had an estate tax liability. Had this bill been in place, and it would have been signed by President Clinton last year, that flower shop owner would not be having that problem, because the fact of the matter is only 657 Florida estates would have even owed an estate tax.

What I find so amusing about this debate today, this debate started with the idea we have got to do something about the family farmers. We have got to do something about the small businesses. Well, you know what, the only bill that is going to take care of that today, right now, is the Rangel bill that is before us.

Mr. WELDON of Florida. Mr. Speaker, will the gentlewoman yield for a question?

Mrs. THURMAN. I yield to the gentleman from Florida.

Mr. WELDON of Florida. Mr. Speaker why is the Rangel bill not indexed for inflation?

Mrs. THURMAN. Because we go up by 2.5, which is more than we have ever done in estate tax over the last several years.

Mr. RANGEL. Mr. Speaker, I yield 5 seconds to the gentleman from Florida (Mr. WELDON), if he has another question.

Mr. WELDON of Florida. Mr. Speaker, my concern is if my colleagues on the other side of the aisle do not eliminate the death tax, that this is just going to be another problem in 10 years; that is all.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would say to my colleagues on the other side of the aisle, if they are concerned about young people, they have 10 years to wait for relief.

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, it might be useful to put on the record that in a single year alone, in 1998, the people of Florida lost $2.7 billion to the death tax. Multiply by 10, it goes away. Under the Democratic proposal, it does not.

Mr. Speaker, I yield 2 minutes to the gentleman from Oklahoma (Mr. LARGENT).

Mr. LARGENT. Mr. Speaker, I want to say to my colleagues on the other side of the aisle, they cannot come up to the podium and say that they think that the death tax is unfair, they think that the death tax is un-American, let us reform it. If it is un-American, let us get rid of it. Mr. Speaker, that is exactly what H.R. 8 does. Otherwise it is a disingenuous argument that my colleagues make.

Mr. Speaker, it has been said there are two things that are certain in life: death and taxes. And with the estate tax, Washington has figured out a way to marry these two certainties. The government taxes Americans when they work, when they save, when they get married; and in case we miss something, we tax them when they die. There is no tax more offensive or immoral than that levied on the deceased and their families.

Mr. Speaker, the estate tax does not need to be modified or tinkered with; it needs to be repealed. Dying should never be a taxable event. It is a horrible social policy, and even worse economic policy. The effects of the death tax results in nothing less than the killing of the American dream. So many people in America wake up every morning and work hard with the hope that one day their children will have a better quality of life than they did. These folks are not the Rockefellers or the Gates, they just want to pass something on to their children.

Estate tax prevents grandparents and parents from passing on the family business or farms to their children. Families should be allowed to keep what they have earned throughout their lives. Generational transfer of wealth is a good thing and has helped make this such a prosperous Nation.

Mr. Speaker, I urge my colleagues to support H.R. 8 and end the tyranny of the death tax.

The SPEAKER pro tempore (Mr. LAHOOD). The Chair would announce that the gentleman from California (Mr. THOMAS) has 15 minutes remaining. The gentleman from New York (Mr. RANGEL) has 22½ minutes remaining.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. HOYER), my distinguished colleague.

Mr. HOYER. Mr. Speaker, with this estate tax bill, the Republican leadership would light the fuse of a fiscal time bomb that would go off in 2011.

As The Washington Post said this morning, the slow fuse makes the proposal seem affordable; nearly cost-free, in fact, because only the cost of the first 10 years of any legislation is estimated.

□ 1400

But we all know the real costs of this bill do not start showing up until 2011. There is no need for us to jeopardize our fiscal future, Mr. Speaker. A great majority of Members on both sides of the aisle support a reduction in the estate tax. Bill Clinton would have signed a compromise estate tax bill covering 99.5 percent of all the estates in America. The tone may have changed but the substance has not. ''Do it my way or no way.''

The Democratic alternative would give us relief now. It immediately would raise the estate tax exclusion to $4 million for couples and would gradually raise that to $5 million. In 1999, that would have exempted more than three-quarters of all the estates that incurred any tax liability. I am not talking about all the estates. Of any estate that incurred a tax liability. And it would cost a fiscally responsible $40 billion. But the Republican leadership has rejected bipartisan compromise once again.

It is at least consistent. Instead, the GOP's great tax gurus have proposed a bill that would cost $193 billion over the next decade while concealing its true cost. The Joint Committee on Taxation estimates that if complete repeal took effect today, the real cost of this legislation would be $660 billion over the next 10 years. The majority will not admit that, of course. It would be an explicit admission that the President's $1.6 trillion tax plan actually will cost closer to $3 trillion. The real danger to our country and to our people is that the cost of the legislation will be borne at the worst possible time, just as the baby boomers begin to retire and become eligible for Social Security and Medicare. With our uncertain projected budget surpluses, is that fiscally responsible to do? I think not.

Let us provide immediate relief for small business owners, for farmers, and let us defuse the fiscal time bomb before it threatens to blow a hole in our budget.

Mr. Speaker, we can do something real for 99.5 percent of the taxpayers. Yes, their bill will continue the old song, ''The rich get richer and the poor get poorer, but in the meantime don't we Congressmen and Congresswomen have fun?''

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. SHERMAN).

Mr. SHERMAN. Mr. Speaker, the gentleman from California criticizes the numbers saying we do not provide $4 million of immediate tax relief. We do, to every couple. $2 million to every individual.

If Members are concerned about the 98 percent of Americans that do not pay the estate tax at all, they need to vote for the Democratic substitute because it is far more fiscally responsible. It will assure that we are able to pay down the national debt, provide for low interest costs and allow for people who are barely able to make their car payments to make them at a lower interest rate.

But say you happen to represent Malibu, as I do, and you are concerned with those who are the richest 2 percent as is my obligation. Well, the vast majority of the folks in Malibu will actually do better under the Democratic alternative.

First, we provide immediate tax relief. Their plan provides that if you cannot manage to live to 2011 and you have an estate of several million dollars, you are going to pay a big tax. Ours says $4 million a couple: no tax. And if you are able to make it to 2011: $5 million a couple, no tax.

In the long term, their plan provides no estate tax but a higher capital gains tax on the upper-upper middle class. Estates of $3, $4, $5, and $6 million will be virtually tax exempt under the Democratic plan and the heirs will get relief from capital gains tax. Under their plan, those estates do not get relief from capital gains tax.

The result is this: Unless you are focused on the wealthiest two-tenths of 1 percent, unless you are focused not just on the ordinary people of Malibu but on those with $10 million to $100 million estates, the Democratic plan means lower taxes. If you believe in lower taxes for those with under $10 million in assets, vote for the Democratic alternative.

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume.

I tell the gentleman from the State that we shared in 1998, $4.1 billion those families did not get because of the failure to repeal the death tax.

Mr. Speaker, it is my pleasure to yield 2 minutes to the gentlewoman from Illinois (Mrs. BIGGERT).

Mrs. BIGGERT. Mr. Speaker, I rise today to oppose the Democrat substitute and in strong support of the underlying bill, the Death Tax Elimination Act. This unfair tax has long outlived its usefulness.

We are here in Congress to make things better for the American people. When more than 70 percent of small businesses do not make it to the second generation, something is wrong and must be made better. I know that my colleagues on the other side of the aisle feel that their proposal will make things better, but the fact is that the Democrat substitute does not go far enough. Here is why. I met with representatives from the Illinois Lumbermen's Association yesterday. They are owners and operators of independently owned retail lumber stores. I asked them whether they would be affected by the death tax if the Democrat substitute passed. After thinking for a minute or two, they said that while a $2 million exemption or a $5 million exemption sounds like a lot of money, they would still be subject to the tax. Lumber dealers need land and they need a lot of it. It is a simple fact of their business. Because they own land in the Chicago area, it will appreciate and push the value of their estate above that exemption and they are right back to where we started from. These lumber dealers are the very definition of small businessmen. They put their hearts and souls into their businesses, making a living, creating jobs and hoping to pass something on to their children. But a larger exemption is still not enough. They need a full phase-out. They need the Death Tax Elimination Act.

I urge all my colleagues to oppose the Democrat substitute and to support the Death Tax Elimination Act. The time is now to once and for all put an end to the death tax.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

It just seems to me under that last example that appreciated property

under the Republican bill will be exposed to capital gains tax for the next 10 years.

Mr. Speaker, I yield 3 minutes to the gentleman from North Dakota (Mr. POMEROY), a member of the committee.

Mr. POMEROY. I thank the gentleman for yielding me this time.

Mr. Speaker, this is about very real tax relief now to deal with those 2 percent of American households that may have estate tax issues to deal with versus a promise of tax relief 10 years to come.

This chart shows what happens under the majority bill: Very substantial estate tax collection for a decade, then nothing. Are the American people really to believe that the next 2½ presidential terms, the next five Congresses will not revisit this issue? We cannot commit what will happen one decade from now. We are best off dealing with the substitute, real relief now.

This chart shows the significant difference in providing meaningful estate tax relief by moving to the substitute, effectively $4 million estate tax exclusion for a couple phased in to $5 million after 5 years. Estates with a value below $10 million do better under the minority substitute than the majority plan. In addition, there is a very insidious feature to the majority bill which will actually cause taxes to rise for a substantial number of households. By repealing the step-up basis and moving in the carryover basis, they hurt exactly some of the same people they talk so much about helping, farmers and small businesses. An estate that presently is not taxable because of a significant level of debt that passes at the time of the estate could become very definitely taxable for capital gains under the majority proposal. The specific application of the capital gains carryover change advanced in the majority bill would hurt farmers, is very bad public policy, and damage small businesses.

I represent more production acres than any other Member of this House. The family farms that I see are much more threatened, and I have seen a lot more farms lost to the ruinous cost of nursing homes than I have had application of Federal estate tax liability. The majority on the other hand does nothing to address the cost of nursing homes, nothing to address the very real present cost to these estates. Instead, they offer a plan that does not take meaningful effect for a full decade and then takes effect in such a way as to raise capital gains tax exposure for family farms, for small businesses, for literally thousands of families that today have no estate tax difficulties.

This is the kind of proposal that should be defeated. Support the minority substitute.

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume.

I thank my friend from North Dakota for clarifying the issue for us. It is now very clear. They want reduction. We want repeal.

Mr. Speaker, it is my pleasure to yield 3 minutes to the gentleman from Texas (Mr. DELAY), the majority whip.

Mr. DELAY. Mr. Speaker, I thank the gentleman for yielding me this time and I thank the gentleman for bringing this bill to the floor. The gentleman from California is absolutely right. The other difference is we have credibility. They have no credibility. The last time they were in the majority and offered a tax cut was when Jack Kennedy was President of the United States.

Mr. Speaker, Members should oppose the Democrat substitute amendment because it denies the across-the-board tax relief that the American people want and demand. The Democrats dangle partial relief but we repeal the death tax. Let us set aside those specific dates and figures that confuse Members to examine the very underlying dispute in this debate. And we should look beneath the surface, because the reason our parties disagree on this proposal stems from our core convictions. Republicans support the repeal of the death tax because we believe that the Federal Government has no legitimate right to tax income twice. We believe that families are entitled to keep what they earn over the years. Those families have already paid taxes on their assets and taxing them twice is wrong. All the Democrat objections flow from one single motivation, the desperate desire to preserve taxes for a stream of revenue. Democrats oppose the death tax repeal because it would cut off a source of revenue so they can have big government.

The Democrat substitute is compromised by a flawed understanding that stubbornly refuses to accept this fundamental point: Tax dollars belong to the people who earn them, not the Federal Government. The Democrats are terrified by the prospect of foreclosing any source of taxation. We want to let people keep more of what they earn. The bottom line is this: Without full repeal, any death tax relief measure is no more than a placebo. To cure the death tax, you have got to kill it by ending it once and for all.

The only plausible reason for opposing death tax repeal is the unstated ambition to one day restore the death tax in its current aggressive form. We want to let American families keep what they have earned but the Democrat leadership has designs for those tax dollars. That is why they do not and will not support death tax repeal.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

You may want to repeal it but it is taking you 10 years to get there.

Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. DELAHUNT).

Mr. DELAHUNT. Mr. Speaker, I thank the ranking member for yielding me this time. I also thank him for crafting a very intelligent substitute.

Last year, I was one of those Democrats who joined with my colleagues across the aisle to support legislation to repeal the Federal estate tax. I did so because I believed that the tax unfairly burdened small businesses and family farms which often had to be sold at below-market values because of liquidity issues.

□ 1415

In other words, the heirs did not have the cash to pay the tax.

Well, I still believe that; and that is why I am going to vote for the Rangel substitute rather than the committee bill, because if we adopt the substitute, many of those who are now required to pay the estate tax will have the cash under the Rangel bill.

Secondly, and others have addressed this issue, under the committee bill many Americans would never reap the promised benefits even upon full repeal in 10 years. As others have suggested, currently, inherited property is assessed for valuation purposes at the time of death; but the committee bill, the Republican bill, would carry over for tax purposes a property's original value from the date of acquisition, from the date of purchase.

It will undoubtedly increase capital gains tax upon sale and disposition; again, forcing heirs to experience the same liquidity issues upon sale that we are trying to address now. So I think for these reasons and for so many others that have already been articulated, it makes sense to support the Rangel substitute and to defeat the bill.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentlewoman from the District of Columbia (Ms. NORTON).

(Ms. NORTON asked and was given permission to revise and extend her remarks.)

Ms. NORTON. Mr. Speaker, I thank the gentleman from New York (Mr. RANGEL) for yielding me this time. I especially thank him for the thoughtful substitute he has put forward because what he has done is to listen to the people who have estate tax problems and responded directly to them.

Mr. Speaker, the substitute has relief for small businesses, for farmers, and for people who have worked hard to accumulate modest wealth. In other words, for those who need it.

Mr. Speaker, I never thought I would hear Americans argue for heredity wealth. That, I thought, was the major difference between the Old World and the new, between Europe and America. I am bemused by the notion of a dead man paying twice. People who inherit wealth have not paid once. The children of the rich, who get the lion's share of the benefits from this bill, have not paid a dime of money they have worked for.

This bill, the majority bill, turns progressive taxation, the hallmark of the Federal Tax Code, on its head. We hear about transferring wealth from the rich to the poor. The majority's bill transfers funds from the poor to the rich. The majority has tried to get away with having Americans believe

that they are or could be helped by estate tax repeal.

The whistle has been blown on the majority bill, thanks to some very principled rich folks who got up and told the truth about who would get the benefits and said that it should not be them but people far poorer than them. They exploded the leading myth behind this bill.

The fact is, Mr. Speaker, almost no one would benefit from the majority bill. That is a lot of money to give to no one.

Mr. THOMAS. Mr. Speaker, I yield 3 minutes to the gentleman from Oklahoma (Mr. WATTS), the conference chairman of the Republican Conference.

Mr. WATTS of Oklahoma. Mr. Speaker, this is a common sense plan to strengthen family-owned businesses and farms and to secure our children's future. Furthermore, nobody should be forced to visit the undertaker and the IRS in the same day.

Let me explain the problem with this death tax situation. Families are working longer and harder than they ever have, and Washington continues to take more and more. The death tax deprives many hard-working Americans of opportunities to pass along the business or the farm to the children. Upon death, the IRS can seize up to 55 percent of one's farm or business. This means a mom-and-pop shop one hopes for their children to take will be more than half gone before their funeral is over.

The death tax was enacted four times in our history to fund military buildups in times of war. In all but the fourth time, it was repealed within 8 years. The fourth time, however, it was enacted to fund World War I in 1916 and has never been repealed.

News flash: the war is over. We won. Let us get rid of the death tax.

What is the solution? Let us eliminate it on behalf of family farmers and small business owners who want to leave a legacy for their children, for their grandchildren. I ask for fairness and common sense in our Tax Code.

The benefits we get out of eliminating the death tax, more than six of 10 small businesses report that they would create new jobs in the next 12 months if the death tax were to be repealed. That means food on the table and college tuition for many American families.

In the black community, sometimes it takes four or five generations for the African American community to create wealth; and then, when that proprietor dies, over 50 percent of that business is wiped out overnight. This tax is wrong. It is unfair. We need to eliminate it.

We got the IRS out of the sanctuary last week by eliminating the unfair marriage tax. Now we must vote to get rid of the IRS, get it out of the funeral parlor. Uncle Sam should not raise revenue from somebody's coffin.

Mr. Speaker, the death tax needs to die.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentlewoman from California (Ms. PELOSI).

Ms. PELOSI. Mr. Speaker, I thank the gentleman from New York (Mr. RANGEL), the distinguished ranking member, for yielding me this time and for his leadership in bringing this very wise Democratic estate tax-relief bill to the floor.

Mr. Speaker, I rise in strong support of it because Democrats have repeatedly stated that we do support responsible tax cuts, but only ones that we can afford.

Yet again, the Republican leadership has brought a tax cut to the floor that we cannot afford. I come from a part of the country where real estate values have skyrocketed. I understand the need for estate tax relief for homeowners, for business owners, for farmers. The Democratic substitute increases the estate tax exclusion to $2.5 million for individuals and $5 million for married couples. Under our plan, 75 percent of the estates that are currently taxed would no longer pay any estate taxes. I repeat, 75 percent of those who currently paying estate taxes would pay no estate taxes under the Democratic plan.

Our plan, the Democratic plan, costs $40 billion over 10 years. We can afford that. The Republicans, on the other hand, have an irresponsible proposal that will add to the already $1.8 trillion, including interest, that has come to date to this floor that they have voted; and their plan, one probably will not believe this, but listen carefully, their plan will cost $662 billion. It is so staggering, $662 billion. $40 billion on the Democratic side, 75 percent of the people will pay no estate tax who pay estate tax now. Theirs, $662 billion. But if one is in that category where they would benefit from the Republican plan, listen up. Their benefit does not even come for 10 years.

So listen up. If they are in the category that would benefit at the highest end of the Republican estate tax plan, they do not see that benefit for 10 years down the road. The Republicans are asking this Congress to commit five Congresses from now, five budgets away, to spend up to $662 billion in tax relief for the wealthiest people in our country.

What is the opportunity cost of that money? We have an infrastructure deficit in our country; bridges, roads, that need repair; building of mass transit to move people and keep the air clean. We have deficits in our education that we need school modernization, where these billions of dollars could be spent there. Or first and foremost, we could pay down the debt, keep interest rates down for our mortgages, for our car payments, for our credit cards.

So when they give this tax break at the highest end, guess who is paying for it? The average working American, with higher interest rates.

I urge our colleagues to support the Democratic plan.

Mr. THOMAS. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, just in case anybody believes any of those figures that were mentioned by the gentlewoman from California (Ms. PELOSI), the Joint Committee on Taxation places a $185 billion price tag on the bipartisan H.R. 8 proposal. The Democrat substitute costs $160 billion over 10 years to just reduce the death tax. They do immediately repeal the State estate tax credit, an immediate hit on the States of $122 billion, which produces the net that the gentlewoman mentioned.

Ms. PELOSI. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. Not on my time. If the gentleman from New York (Mr. RANGEL) wants to yield some time, he can.

Mr. RANGEL. Mr. Speaker, I yield 30 seconds to the gentlewoman from California (Ms. PELOSI) to respond to the gentleman from California (Mr. THOMAS).

Ms. PELOSI. Mr. Speaker, in fact, the Joint Committee on Taxation has estimated that the Republican plan would cost $662 billion over 10 years.

Mr. THOMAS. Mr. Speaker, I yield myself such time as I might consume.

Mr. Speaker, notwithstanding what the gentlewoman from California (Ms. PELOSI), my colleague and friend, said, she is just flat out wrong. The joint tax on our plan is $185 billion.

Mr. Speaker, I yield 2½ minutes to the gentleman from California (Mr. ISSA).

Mr. ISSA. Mr. Speaker, I would like today to take my 2 minutes and use it a little differently than the other Members. I would like to put a face on the nobody that was talked about here earlier.

I am one of those nobodies who will pay the tax. I came to this body, after 20 successful years in business, just 90 days ago. I am not particularly concerned about how much money the government takes from me, because I have sold my business in order to come to this body; but I am concerned about businesses like the one that my wife and I built over 20 years.

Twenty years ago, I left the Army with a 1967 Karmann Ghia and a couple thousand dollars. Over those 20 years, with incredibly hard work and luck and the participation of nearly 200 men and women in our company, we built our business to $100 million in sales. It took 4 years to structure a termination of that business from ownership of my wife and myself. People within my company now own stock, and a leverage group came in and helped; but it took a long time, and I have 5 years of obligation to make sure that my company goes on.

Had I died on December 31, instead of leaving as a CEO to come join this body, they would have taken an immediate tax hit of over $55 million on the company just at a time at which its value would have plummeted, its marketability would have been terminated.

In the America that I grew up in, one's dreams, in fact, are rewarded by

government, not punished. Most importantly, in the America I grew up in we do not determine what size business is good, what size business is good to be public, what size business is good to be private.

In the America I grew up in, we reward people who build businesses because they create the jobs that Americans work at. Please vote down the substitute. Vote for the bill itself, because in fact it supports the ability for companies like my wife and I built to be able to support American jobs.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from Mississippi (Mr. TAYLOR).

□ 1430

Mr. TAYLOR of Mississippi. Mr. Speaker, I thank the gentleman for yielding me this time.

The one thing that apparently is not being talked about today is that as of the end of last month, our Nation was $5.735 trillion in debt. Just since September, our Nation's debt has increased by $61 billion. I guess many of my colleagues would like to ignore that, but they cannot ignore the fact that we owe the Social Security Trust Fund $1 trillion of unfunded liability. We owe our Nation's military retirees, including the gentleman who just spoke, $163 billion. We owe the Medicare Trust Fund $229 billion, and we owe our own public servants over half of $1 trillion.

When folks ask me on the street to cut out the wasteful spending, they are pretty shocked to discover that the most wasteful thing our Nation does that costs $1 billion a day is interest on the national debt.

Now, the gentleman from New York (Mr. RANGEL) and his proposed plan to try to solve the problem for most of those Americans who do pay an estate tax would allow people to keep $4 million of their parents', or whoever left them the money or estate, tax-free, and we can do that for less than $30 billion. The alternative costs five times more.

Now, as someone who spends my time looking out for the defense interests of our Nation, that difference would build 20 aircraft carriers or 100 destroyers, or no telling how many 30-year-old UH–1 Hueys could be replaced. Right now we have 20 young Americans in captivity in China because the pilot was afraid to ditch that ancient aircraft he was flying for fear that the lives of the crew would have been lost.

Mr. Speaker, why do we continually underfund the things that our Nation should be doing the best it can for the sake of tax breaks, in many instances justified tax breaks, but in many instances tax breaks whose people are only deserving because they can write big checks to political parties?

Mr. THOMAS. Mr. Speaker, I yield 2 minutes to the gentlewoman from New York (Mrs. KELLY) to tell another one of those very real-world stories.

Mrs. KELLY. Mr. Speaker, I rise in opposition to the Rangel substitute because partial repeal of the death tax is just that: partial. Full repeal is what is needed to benefit all of the workers on family farms and in small businesses. Many of the testimonials we have heard regarding the repeal of the death tax have centered around the plight of the family farmers. Farm families are not the only ones affected by the estate tax.

Family-owned manufacturing and construction businesses are also affected. How? Because they put the bulk of their assets into the equipment by which they do business. For instance, if one is a road contractor, the very bulldozers and clam shells and backhoes that one owns cost in the millions of dollars, and this is what one has to pass on to one's children, one's good name and equipment, that is it. So when the inheritor of a small business has to liquidate the company's assets and equipment to cover the cost of paying the government, it marks the tragic end to an entity that may have gone on for several generations.

When a business closes its doors for the last time, it is forced to sacrifice the jobs of the employees. All of the workers, many of whom have long tenures with the business and deep roots in the community, are faced with unemployment and the sudden need to find another job in order to feed their families. Please note, these could be union or nonunion jobs. It is just plain jobs.

Mr. Speaker, it is clear that the long arms of the estate tax reach deep. The death tax touches every aspect of small businesses from the inheritor to the employees to the families to the local community. If we vote to repeal the estate tax, we are not only assuring a promising future for family farmers, but we are ensuring a promising future for the small business owners of America and the small manufacturers of America. All American workers will do better and all of America will be better if we pass this bill.

Mr. Speaker, I urge my colleagues to vote no on the Rangel substitute to H.R. 8.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentlewoman from Texas (Ms. JACKSON-LEE).

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise to support the Democratic alternative by the gentleman from New York (Mr. RANGEL) to simply emphasize that only 50,000 estates are even impacted by this estate tax at all, 2 percent of Americans, whereas the Democratic substitute ensures that the tax will exclude the $2 million per person, $4 million per couple as of January 1, 2002, and gradually increase to $2.5 million and $5 million per couple.

But the real issue is what the estate tax does. I am gratified that individuals like Bill Gates really talk to America about what the estate tax is all about. We are interested in helping the car dealer and the small business, and the Democratic alternative does that. But do we realize that in many instances, many Americans provide sources of opportunity and contribution to hospitals and institutions of higher learning, to our arts institutions by donating murals and pictures, by protecting our national parks, by their wonderful largesse and their charitable attitude. These Americans do not want the estate tax repealed, they want to continue to do this and continue to be able to give, and they want to be able to give to America to protect its very precious resources.

Mr. Speaker, I say to my colleagues, support the Democratic alternative.

Mr. Speaker, I rise in opposition of H.R. 8, Estate Tax Repeal Act. This legislation is simply another reflection of poorly placed priorities that could jeopardize funds that would otherwise be used for next year's budget. The bill is so back-loaded that it does not even fully repeal the estate tax until 2011, beyond the 10-year budget window.

We all know that reform of the estate tax is a bipartisan issue—both Democrats and Republicans have long recognized the need to reform estate tax. I have often heard of the need to update the estate tax from constituents to reflect the increase in home prices, stock prices as they are reflected in individual savings for retirement, and the value of family-owned businesses. But the Republican response embodied in H.R. 8 has been to help the wealthiest first and foremost by repealing the tax altogether, squandering the surplus and creating the potential for tax evasion. The Democratic response has been to provide the tax relief quickly and to those who need it the most—family farms and small businesses.

The current estate tax applies to estates larger than $675,000. There are special provisions for farms and family-owned small businesses that increase the amount excluded from the tax. According to the Joint Tax Committee, the estate and gift tax will raise $410 billion between 2002 and 2011. Each year only 50,000 estates owe estate tax at all; less than 2 percent of Americans have to worry about the tax. Of these 50 estates, there are fewer than 3,000 farms and fewer than 3,000 that have non-corporate business assets. In fact, in 1998, there were only 642 which were made up mainly of farm assets.

Most of the revenues come from the largest estates—the ones that the Republicans have chosen to get the first and largest benefits from their bill. The Joint Tax Committee estimated that the cost of H.R. 8 as introduced would have been $370 billion. The long phase-in period in H.R. 8 kept the cost down; $192 billion over ten years. Combined with the first two tax cut bills passed by the House—H.R. 3 and H.R. 6—this bill raises the total cut to $1.55 trillion over ten ears. The total budget cost is nearly $2 trillion. That is just an unacceptable price.

Mr. Speaker, we cannot afford this costly approach. H.R. 8 would reduce the rates on the largest estates first, giving the greatest benefit to only a few wealthy estates while providing no tax relief to the great majority of smaller estates while providing no tax relief to the great majority of smaller estates. When fully repealed, more than half of the tax cuts

would go to the largest 5 percent of the estates—2,900 estates valued at more than $5 million each.

Mr. Speaker, we can reform the estate tax and target a larger segment of America at the same time. For this reason, I look forward to supporting the Democratic Estate Tax Reform Proposal as an alternative to the proposed bill. The Democratic substitute raises the exclusion from the tax to $2 million per person and $4 million per couple as of January 1, 2002 and gradually increases the exclusion so that it reaches $2.5 million per person and $5 million per couple. The net cost is $40 billion over ten years. Accordingly, the substitute would not cause enormous drains on the Treasury and it takes care of the problem for the vast majority of estates. The Republican proposal will cost Americans $662 billion over 10 years creating a fiscal crisis.

The Democratic alternative is simple and cost-effective. It maintains the progressive features of the current estate and gift tax system while effectively exempting two-thirds of all estate that would have to pay the estate tax under current law. It would exempt 99.4 percent of all farms that would otherwise have to pay the estate tax and would give more estate tax relief to estates of less than $10 million than the Republican bill through 2008. In short, the Democratic alternative exempts many more estates, more quickly.

Mr. Speaker, I urge my colleagues to oppose H.R. 8. Instead, I urge my colleagues to support the Democratic substitute.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. MILLENDER-MCDONALD).

Ms. MILLENDER-MCDONALD. Mr. Speaker, I rise today in support of the Democratic alternative and in opposition to H.R. 8.

Mr. Speaker, I am not opposed to estate tax relief, but this tax bill, H.R. 8, does not speak to providing estate tax relief to small businesses and family farmers. The Democratic substitute targets tax relief to small businesses and farms, as well as those estates that have increased in value over time. The Democratic bill will not result in an enormous drain on the Treasury, and it takes care of the problems of the vast majority of estates. I will support the Democratic alternative bill today.

Mr. Speaker, I am opposed to H.R. 8. I want to urge all of my colleagues to support the only tax plan that gives true relief from estate taxes.

Mr. RANGEL. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, one of my Republican friends brought to me an ad which ran in The Washington Post where African American businesspeople were calling for an end to the estate tax. I was moved by their concern for these African Americans. I thought it was the beginning of the new Republican civil rights movement. But I told them that I had shared my concerns about this with some of these people, and they agreed with me that only in a country as great as America can someone be born in poverty and be able to achieve the great economic success that they have been able to achieve.

But in doing this, we also had an obligation to America, to those people who are less fortunate. Whether they be black or white or Jew or gentile, there has to be a basic understanding that we have to secure for ourselves a sound economic system that allows all of the people to hope and aspire to achieve economically, a sound public school system that gives us the tools to be able to negotiate one's way through success; a Nation that would not only allow us to move forward, but have a concern about the Social Security System, the Medicare System, to be concerned about one whose parents who are dependent on Social Security and dependent on prescription drugs. In other words, yes, we have to be prepared to give something back to this great Republic that has given so much to so few.

So it seems to me as we conclude this argument, if people are talking and debating about repealing the estate taxes now, we have the wrong debate. Yes, that figure, $662 billion, no longer applies because the Republicans do not want repeal; not now, not next year, not the year after. They are talking about a decade from now. So call it the Republican I-Hope-You-Live-For-10–Years bill, but do not say relief is being given now, because the relief is in the Democratic substitute and the relief is when? The relief is now.

The Republicans would expose those who hold property that have appreciated in value to additional capital gains taxes after they die. We do not do that.

So what I am suggesting to my colleagues is that we have to live with some framework of what we are going to do in the future, and I can tell my colleagues this. The Republicans are talking about $1.6 trillion today, but tomorrow they will be talking about $2 trillion, the next day they will be talking about $2.5 trillion, and before we leave this House, they will be talking about a $3 trillion bill. Am I making it up? No.

The thing is that there is nothing left for them to cut after this bill. If this bill passes, they would have taken a $662 billion budget bill and squeezed it into a wedge that is left for $200 billion. But that is the last wedge, and this is our last chance.

Mr. THOMAS. Mr. Speaker, folks have heard a lot of numbers here today in the debate. The one that is real, 1998, in the States of the last 3 speakers, Texas, California and New York, those families had $7.9 billion taken from them in the death tax.

Mr. Speaker, I yield the balance of my time on this measure to the gentleman from Texas (Mr. ARMEY), the majority leader.

Mr. ARMEY. Mr. Speaker, I thank the gentleman for yielding me this time. I want to thank the chairman of the committee and the committee for bringing this bill to the floor.

Mr. Speaker, I do not often feel a need to answer the arguments made by my Democrat colleagues and, Mr. Speaker, I do not often argue by analogy, but for just a moment, Mr. Speaker, I would like to use an analogy to answer one of the arguments that they have made from the other side of the aisle.

We have brought here before the American people an effort to end the death tax. We choose to do that because we think it fundamentally wrong to tax a family's legacy. We have had testimony here about the fact that a handful of very, very rich people in America, most of whom on that list have more money than their families could ever spend in several lifetimes, have signed a letter saying, please do not end the death tax. My Democrat colleagues have seized upon that as testimony to the virtue of continuing the death tax. They are wrong to do so, and let me give my colleagues the analogy.

We have laws, Mr. Speaker, against battery, because we believe it is wrong to beat on a person. Now, Mr. Speaker, if a handful of masochists were to write a letter saying, oh, lift the ban on battery, beat us, beat us, I am sure the gentleman from New York (Mr. RANGEL) would not say, oh, by all means, we will not only beat the masochists, but we will beat everyone else who happens to have similar socioeconomic, demographic characteristics. No, he would immediately say, well, that is wrong. If it is wrong, it is wrong, and we cannot allow the sadists to beat the masochists just because the masochist says, beat me.

But if we follow the logic that they have applied to this effort to end this wrongful taxation, that is precisely the logic we would find them applying to the whole question of battery.

□ 1445

So we see they are wrong because they missed the point. We have here come today to end the death tax because it is wrong, and just as a compassionate man would end the battery even for the masochist, we would choose to end the death tax for the tax masochist that signed that letter. Because a conservative that is compassionate and understands recognizes that when one is taxed one's entire life, it is unfair, it is wrong, to be taxed again after one is dead.

Just consider, Mr. Speaker, what all we are taxed on today. Our wages are taxed, our property is taxed, our spending is taxed, our savings is taxed, our investment is taxed, and even our marriage is taxed, although we are trying to end that.

But for some of my colleagues, that is still not enough taxation. For them, as we draw our last breath, they want the tax man to pay us one final visit.

No, Mr. Speaker, it is just not right. It is not only unfair, it is not only immoral, but the death tax strikes at the very heart of the American dream.

What do I mean by that? Mr. Speaker, this is a nation that has drawn people from all over the world. They have come to this country with a dream. Their dream has been to work hard,

obey the laws, and build a better life for themselves and their families. They have pulled themselves up by their bootstraps. They want to leave the fruits of their life's labor to their children.

At the very moment when our final dream in life is to be realized, where we can pass on to our children all our life's work and its benefits, they have the government step in and pull the rug right out from underneath us. With that death tax, the government says to the family, ''Your small business is destroyed. To your loyal friends and employees, your jobs are lost. Another farm is put up for auction.''

It is not enough. It is not, in fact, a tax on big business. The death tax is not a tax on just rich people. It is a tax on a family's legacy, and that is why it is wrong. It taxes the family's capital, it taxes the small business, and it attacks the American dream, so we have come here today to put an end to it.

I say to my colleagues, look only at this one question: Is it right or is it wrong for the Federal government of the United States to be the largest grave robber in the world?

It is time for us to put an end to this immoral tax; not compromise, not end it for just a few, not continue to tax the masochistic rich because they do not feel the pain of the tax, but put an end to it for one very simple reason: It is wrong, and it should stop.

Ms. DUNN. Mr. Speaker, the Democratic substitute is short term fix masquerading as real tax relief. It will not solve the problem. Here is why:

First, it does not address the high death tax rates. On the first after their $2 million dollar credit, the family is forced to pay taxes starting at a 49 percent rate on every dollar over the credit. For businesses valued at 6 million dollars, this could mean a tax bill approaching 2 million. Under the substitute the U.S. will still have the second-highest death tax rates in the world—behind bastions of free market capitalism such as France and Sweden.

Second, every attempt to provide relief from the death tax has been a failure. In 1997, with the best intentions, we fashioned the Qualified Family-Owned Business Exemption as a way of addressing the concerns of small businesses and farmers, but it has not been the solution we envisioned. It is so complicated and onerous that the American Bar Association has called for its repeal. It also has a limited reach. According to Treasury estimates, only between 3 and 5 percent of estates qualify. In short, our experience shows that reform will only prolong the problem.

Finally, and perhaps most importantly, the substitute affirms the flawed notion that it is fair and reasonable to tax people at the end of their life. Instead of rewarding them for saving or for building a business, we punish them by assessing a burdensome tax. I urge my colleagues to reject the substitute and eliminate the death tax once and for all.

The SPEAKER pro tempore (Mr. LAHOOD). All time has expired.

Pursuant to House Resolution 111, the previous question is ordered on the bill, as amended, and on the amendment in the nature of a substitute offered by the gentleman from New York (Mr. RANGEL).

The question is on the amendment in the nature of a substitute offered by the gentleman from New York (Mr. RANGEL).

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. RANGEL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 201, nays 227, not voting 3, as follows:

[Roll No. 82]

YEAS—201

Ackerman
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barcia
Barrett
Bentsen
Bereuter
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Castle
Clay
Clayton
Clement
Condit
Conyers
Costello
Coyne
Cramer
Crowley
Cummings
Davis (CA)
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank
Frost
Gephardt
Gonzalez
Green (TX)
Gutierrez
Hall (OH)
Hall (TX)
Harman
Hastings (FL)
Hill
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson-Lee (TX)
Jefferson
John
Johnson, E.B.
Jones (OH)
Kaptur
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
LaFalce
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Moakley
Mollohan
Moore
Moran (VA)
Morella
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Phelps
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Ross
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Schiff
Scott
Serrano
Sherman
Shows
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thurman
Tierney
Turner
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NAYS—227

Abercrombie
Aderholt
Akin
Armey
Bachus
Baker
Ballenger
Barr
Bartlett
Barton
Bass
Biggert
Bilirakis
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Chabot
Chambliss
Clyburn
Coble
Collins
Combest
Cooksey
Cox
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ferguson
Flake
Fletcher
Foley
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hansen
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hilliard
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Issa
Istook
Jackson (IL)
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Kanjorski
Keller
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Largent
LaTourette
Leach
Lee
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Manzullo
McCrery
McHugh
McInnis
McKeon
Mica
Miller (FL)
Miller, Gary
Moran (KS)
Murtha
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Osborne
Ose
Otter
Oxley
Paul
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Reynolds
Riley
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Saxton
Scarborough
Schaffer
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Simmons
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stump
Sununu
Sweeney
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thompson (MS)
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Towns
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOT VOTING—3

Becerra
Kennedy (RI)
Latham

□ 1508

Messrs. SIMMONS, CRANE, TERRY, BAKER, NETHERCUTT, and GILMAN changed their vote from ''yea'' to ''nay.''

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. LAHOOD). The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. POMEROY

Mr. POMEROY. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. POMEROY. Yes, Mr. Speaker, I am.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. POMEROY moves to recommit the bill, H.R. 8, to the Committee on Ways and Means with instructions that the Committee report the same back to the House promptly with an amendment in the nature of a substitute that—

1. provides immediate relief from estate and gift taxes by increasing the estate and gift tax exemption with a goal of providing an exemption level that eliminates estate and gift tax liability for over two-thirds of those currently subject to the tax and exempts at least 99% of all farms from estate and gift taxes;

2. in no event increases the exemption to a level less than the increased exemption provided in H.R. 8 as introduced;

3. does not have growing budgetary costs like those shown in the Committee report that begin at $4 million in fiscal year 2002 and grow to $49.2 billion in fiscal year 2011, the last fiscal year beginning before the bill is fully effective; and

4. in no event includes provisions that would result in net tax increases (through additional capital gains tax levies) on the estates of certain decedents (such as farmers with average debt levels) with net assets below current law estate tax exemption levels.

Mr. THOMAS (during the reading). Mr. Speaker, I ask unanimous consent that the motion to recommit be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from North Dakota (Mr. POMEROY) is recognized for 5 minutes in support of his motion to recommit.

Mr. POMEROY. Mr. Speaker, I offer this motion on behalf of myself and the gentleman from Texas (Mr. TURNER).

The majority would have us believe that estate taxes collected by the Federal Government are the single greatest obstacle interrupting the passage of a family farm, a small business from one generation to the next.

To place the issue in perspective, 2 percent of all estates in this country were subject to the estate tax at present levels. Of those 2 percent, a single percent had assets that were at least half involved in farming. Ninety-nine percent of the 2 percent had not had operations involved in farming.

Mr. Speaker, I represent more production acres than any other Member of this body, and I will tell my colleagues there are an awful lot more farms lost to the ruinous cost of long-term care than ever lost to estate taxes collected by the Federal Government, but the majority has nothing in this bill to address that issue. By passing this bill, it will deprive this body of the resources to ever address the long-term care cost issue threatening the passage of farms and small businesses.

The motion to recommit has three fundamental principles: first, we should provide relief now, as opposed to relief later. The bulk of the majority bill takes effect 10 years from now. Mr. Speaker, we cannot bind future Congresses. There will be no fewer than four additional Congresses past this one that would have the opportunity to tinker with the majority's bill. Let us put relief in place now.

The second point, this should not explode in the outyears. It should take a relatively level hit on the Federal budget so we know what we are dealing with. The explosion of the majority bill just at the time the baby boomers move into retirement, escalating the costs of Social Security and Medicare will wreck the Federal budget. Why would we want to pass this on? Let us deal with it now.

The third, and very important, point, the majority bill exposes farms and small businesses to a level of capital gains that they do not have presently. Today, we have farms and small businesses that will pass under the estate tax but be fully protected against capital gains in a subsequent sale because of this stepped-up basis ultimately used to calculate capital gains.

□ 1515

Mr. Speaker, the majority bill does away with that, puts back in carryover basis. The effect is to tax farms and small businesses that do not have a capital gains exposure and gives them capital gains exposure. That is not the kind of tax relief our farmers are looking for.

Mr. Speaker, I yield to the gentleman from Texas (Mr. TURNER).

Mr. TURNER. Mr. Speaker, many Members on both sides of the aisle know that we can do better than the version of H.R. 8 that is before us today. The average number of estates each year subject to taxation in a congressional district in this country is 115. Just 115.

Now some of my colleagues come from more affluent areas, and that number is higher. Some of us come from areas that are of less affluence, and it is far lower. But whether my colleagues have 50 or 350 estates a year that are subject to the estate tax, these families would like to see significant estate tax relief now, not 10 years from now.

Mr. Speaker, this motion states that the exemption shall be no less than provided in H.R. 8 as originally introduced, which was $1.3 million, rather than the $700,000 under the current Thomas bill. This motion provides that it should be our goal to provide immediate repeal of the estate and gift tax for two-thirds of those currently covered by the tax, including 99 percent of all family farms. As the gentleman from North Dakota noted, the bill should guarantee that no family should pay more tax because of what is done here today.

Under H.R. 8, a $2 million estate would pay approximately $450,000 in 2002. With an affordable tax cut we can do better. We can make that family's estate tax zero in 2002. It all comes down to one's sense of fairness. Shall we start by giving the largest tax cuts to the wealthiest families in America, and no significant relief for the next 10 years to the smaller estates; or should we repeal the tax at the lower end immediately while granting gradual rate reductions for the upper end?

Mr. Speaker, I hope a majority of the House will support the latter approach and support this motion. This motion says we should start by repealing the tax for two-thirds of the taxable estates at the lower end rather than continuing to subject these families to 10 years of taxation.

I talked to a prominent senior citizen in my district who has a sizable estate to pass on the other day about these alternatives. He told me, whatever you do, do it now. I do not have 10 years.

Mr. Speaker, to pass a shell of a bill with a 10-year fuse is not tax relief. It is an empty promise to all who will lose loved ones over the next decade, and who may be forced to sell their family farm or family business to pay the estate tax. We will not be able to tell these families that we cannot afford to help them, because we can afford it, and we should do it now.

Mr. Speaker, I urge my colleagues to vote for the motion to recommit.

The SPEAKER pro tempore (Mr. LAHOOD). The gentleman from California (Mr. THOMAS) is recognized for 5 minutes in opposition to the motion to recommit.

Mr. THOMAS. Mr. Speaker, I think the debate today has been very good. H.R. 8 seeks repeal of the death tax, and the substitute by my friend and colleague on the Committee on Ways and Means, the gentleman from New York (Mr. RANGEL), sought relief.

If one listens to my two colleagues discussing this motion to recommit, one would have thought that that debate was continuing; their motion to recommit is for relief, and the underlying bill is for repeal. I want my colleagues to be very, very careful. I apologize to my colleagues; once again, I read their motion to recommit.

Mr. Speaker, in looking at the particulars, in the first particular it says it provides immediate relief. There is no repeal in any of the four items. One would think we are continuing the debate that we have had all afternoon, relief versus repeal. If my colleagues wanted to support our friends on the other side of the aisle, like the gentleman from Hawaii (Mr. ABERCROMBIE) or the gentleman from Georgia (Mr. BISHOP), my colleagues would have

voted no on the gentleman from New York's substitute because it was only relief. H.R. 8 is repeal.

But under the rules of the House, my colleagues ought to read the first paragraph, because what the first paragraph says is: Mr. Speaker, I move to recommit the bill, H.R. 8, to the Committee on Ways and Means with instructions that the Committee report the same back to the House promptly.

Normally when we see these motions to recommit, the word that is normally used is ''forthwith.'' A motion to recommit forthwith is immediate. It has a time certain to it. For those of us who have been around awhile, we have had a motion to recommit when, forthwith, it is brought right back to the floor, and we discuss the change that is in the motion to recommit.

Mr. Speaker, this is a motion to recommit promptly. When is promptly? No one knows. It is not a time certain. It is uncertain. The motion to recommit kills the bill. What does that mean? It is not an argument between relief and repeal. It is between killing this bill, having no change whatsoever, or repeal.

Mr. Speaker, I think the choice is clear. Vote no on the motion to recommit so my colleagues can vote yes on H.R. 8, and repeal the death tax.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. POMEROY. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to clause 9 of rule XX, the Chair will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the question of passage of the bill.

The vote was taken by electronic device, and there were—ayes 192, noes 235, not voting 4, as follows:

[Roll No. 83]

AYES—192

Ackerman
Allen
Baca
Baird
Baldacci
Baldwin
Barrett
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Clay
Clayton
Clement
Clyburn
Conyers
Coyne
Crowley
Cummings
Davis (CA)
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank
Frost
Gephardt
Gonzalez
Gutierrez
Hall (OH)
Harman
Hastings (FL)
Hill
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
LaFalce
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matsui
McCarthy (MO)
McCollum
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Moakley
Mollohan
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Phelps
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Ross
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Scott
Serrano
Sherman
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Stupak
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOES—235

Abercrombie
Aderholt
Akin
Andrews
Armey
Bachus
Baker
Ballenger
Barcia
Barr
Bartlett
Barton
Bass
Bereuter
Biggert
Bilirakis
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Coble
Collins
Combest
Condit
Cooksey
Costello
Cox
Cramer
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ferguson
Flake
Fletcher
Foley
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (TX)
Hansen
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hilliard
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Issa
Istook
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Largent
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas (OK)
Manzullo
Matheson
McCarthy (NY)
McCrery
McHugh
McInnis
McKeon
Mica
Miller (FL)
Miller, Gary
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Osborne
Ose
Otter
Oxley
Paul
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Reynolds
Riley
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Saxton
Scarborough
Schaffer
Schiff
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shows
Simmons
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stump
Sununu
Sweeney
Tancredo
Tanner
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOT VOTING—4

Becerra
Green (TX)
Kennedy (RI)
Latham

□ 1540

Mr. HUTCHINSON changed his vote from ''aye'' to ''no.''

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

Stated for:

Mr. GREEN of Texas. Mr. Speaker, I was unavoidably detained just a few minutes ago on Rollcall No. 83. If I had been present, I would have voted ''aye.''

The SPEAKER pro tempore (Mr. LAHOOD). The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. THOMAS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. This is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 274, nays 154, not voting 3, as follows:

[Roll No. 84]

YEAS—274

Abercrombie
Aderholt
Akin
Andrews
Armey
Baca
Bachus
Baird
Baker
Ballenger
Barcia
Barr
Bartlett
Barton
Bass
Bereuter
Berkley
Berry
Biggert
Bilirakis
Bishop
Blunt
Boehlert
Boehner
Bonilla
Bono
Boswell
Boucher
Boyd
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Carson (OK)
Chabot
Chambliss
Clement
Coble
Collins
Combest
Condit
Cooksey
Costello
Cox
Cramer
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis (CA)
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Dooley
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Etheridge
Everett
Farr
Ferguson
Flake
Fletcher
Foley
Ford
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode

Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (TX)
Hansen
Harman
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hinojosa
Hobson
Hoekstra
Holt
Honda
Hooley
Horn
Hostettler
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Israel
Issa
Istook
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Lampson
Largent
Larsen (WA)
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas (KY)
Lucas (OK)
Maloney (CT)
Manzullo
Mascara
Matheson
McCarthy (NY)
McCrery
McHugh
McInnis
McIntyre
McKeon
Mica
Miller (FL)
Miller, Gary
Moore
Moran (KS)
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Ortiz
Osborne
Ose
Otter
Oxley
Paul
Pence
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Regula
Rehberg
Reynolds
Riley
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Roukema
Royce
Ryan (WI)
Ryun (KS)
Sanchez
Sandlin
Saxton
Scarborough
Schaffer
Schiff
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shows
Simmons
Simpson
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Souder
Spence
Stearns
Stenholm
Stump
Sununu
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Wynn
Young (AK)
Young (FL)

NAYS—154

Ackerman
Allen
Baldacci
Baldwin
Barrett
Bentsen
Berman
Blagojevich
Blumenauer
Bonior
Borski
Brady (PA)
Brown (FL)
Brown (OH)
Capuano
Cardin
Carson (IN)
Castle
Clay
Clayton
Clyburn
Conyers
Coyne
Crowley
Cummings
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Doyle
Edwards
Engel
Eshoo
Evans
Fattah
Filner
Frank
Frost
Gephardt
Gonzalez
Green (TX)
Gutierrez
Hall (OH)
Hastings (FL)
Hill
Hilliard
Hinchey
Hoeffel
Holden
Houghton
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
LaFalce
Langevin
Lantos
Larson (CT)
Lee
Levin
Lewis (GA)
Lofgren
Lowey
Luther
Maloney (NY)
Markey
Matsui
McCarthy (MO)
McCollum
McDermott
McGovern
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Moakley
Mollohan
Moran (VA)
Morella
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Pomeroy
Price (NC)
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schakowsky
Scott
Serrano
Sherman
Slaughter
Snyder
Solis
Spratt
Stark
Strickland
Stupak
Taylor (MS)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Woolsey
Wu

NOT VOTING—3

Becerra
Kennedy (RI)
Latham

□ 1548

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 8, the bill just passed.

The SPEAKER pro tempore (Mr. LAHOOD). Is there objection to the request of the gentleman from California?

There was no objection.

AUTHORIZING SPEAKER, MAJORITY LEADER, AND MINORITY LEADER TO ACCEPT RESIGNATIONS AND TO MAKE APPOINTMENTS AUTHORIZED BY LAW OR THE HOUSE NOT WITHSTANDING ADJOURNMENT

Mr. WAMP. Mr. Speaker, I ask unanimous consent that notwithstanding any adjournment of the House until Tuesday, April 24, 2001, the Speaker, majority leader and minority leader be authorized to accept resignations and to make appointments authorized by law or by the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY, APRIL 25, 2001

Mr. WAMP. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday, April 25, 2001.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 877

Mr. WAMP. Mr. Speaker, I ask unanimous consent that my name be removed as cosponsor of H.R. 877.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1076

Mrs. JOHNSON of Connecticut. Mr. Speaker, I ask unanimous consent to remove the name of the gentleman from Texas (Mr. PAUL) from H.R. 1076, to which it was added mistakenly.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Connecticut?

There was no objection.

APPOINTMENT OF HONORABLE FRANK R. WOLF TO ACT AS SPEAKER PRO TEMPORE TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS THROUGH APRIL 24, 2001

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
April 4, 2001.

I hereby appoint the Honorable FRANK R. WOLF to act as Speaker pro tempore to sign enrolled bills and joint resolutions through April 24, 2001.

J. DENNIS HASTERT,
Speaker of the House of Representatives.

The SPEAKER pro tempore. Without objection, the appointment is approved.

There was no objection.

MEMBERS OF THE HOUSE TO BE AVAILABLE TO SERVE ON INVESTIGATIVE SUBCOMMITTEES OF THE COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

The SPEAKER pro tempore. Without objection, and pursuant to clause 5(a)(4)(A) of rule X, the Chair announces that the Speaker named the following Members of the House to be available to serve on investigation subcommittees of the Committee on Standards of Official Conduct for the 107th Congress:

Mr. GEKAS of Pennsylvania;
Mr. CHABOT of Ohio;
Mr. LATOURETTE of Ohio;
Mr. SHADEGG of Arizona;
Mr. WICKER of Mississippi;
Mr. MORAN of Kansas;
Mr. FOSSELLA of New York;
Mr. GREEN of Wisconsin; and
Mr. TERRY of Nebraska.

There was no objection.

NEWSPAPERS' RECOUNT SHOWS GEORGE W. BUSH WON ELECTION

(Mr. KINGSTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous material.)

Mr. KINGSTON. Mr. Speaker, there has been much said about the Florida election returns, and we hear over and

over again from people that, well, Bush really did not win the election; that he stole it.

I would invite Members of the House to pick up a copy of the USA Today newspaper. It says, ''Newspapers' Recount Shows Bush Prevailed in Florida Vote.''

I am going to read the first paragraph, and keep in mind newspapers are not exactly known for being conservative instruments.

The first paragraph says, ''George W. Bush would have won a hand count of Florida's disputed ballots if the standard advocated by Al Gore had been used, the first full study of the ballot reveals.''

My, my, my. Where are all the accusers, where are all the finger-pointers to say, well, gee whiz, I was wrong, it looks like Mr. Bush is the legitimate President of the United States?

Mr. Speaker, I am going to submit this full article for the RECORD because I am sure Members in their hurry to get out of town will not have time to read this paper; but out of my concern for these Members, I want this to be in the CONGRESSIONAL RECORD and maybe they could share it with some of their friends in academia and the unions and the other great liberal institutions throughout the land.

[From USA Today, Apr. 4, 2001]

NEWSPAPERS' RECOUNT SHOWS BUSH PREVAILED IN FLORIDA VOTE

(By Dennis Cauchon)

George W. Bush would have won a hand count of Florida's disputed ballots if the standard advocated by Al Gore had been used, the first full study of the ballots reveals.

Bush would have won by 1,665 votes—more than triple his official 537-vote margin—if every dimple, hanging chad and mark on the ballots had been counted as votes, a USA TODAY/Maimi Herald/Knight Ridder study shows.

The study is the first comprehensive review of the 61,195 ''undervote'' ballots that were at the center of Florida's disputed presidential election. The Florida Supreme Court ordered Dec. 8 that each of these ballots, which registered no presidential vote when run through counting machines, be examined by hand to determine whether a voter's intent could be discerned. On Dec. 9, the U.S. Supreme Court stopped the hand count before it was completed. That gave Bush Florida's 25 electoral votes, one more than he needed to win the presidency.

USA TODAY, The Miami Herald and Knight Ridder newspapers hired the national accounting firm BDO Seidman to examine undervote ballots in Florida's 67 counties. The accountants provided a report on what they found on each of the ballots.

The newspapers then applied the accounting firm's findings to four standards used in Florida and elsewhere to determine when an undervote ballot becomes a legal vote. By three of the standards, Bush holds the lead. The fourth standard gives Gore a razor-thin win.

The results reveal a stunning irony. The way Gore wanted the ballots recounted helped Bush, and the standard that Gore felt offered him the least hope may have given him an extremely narrow victory. The vote totals vary depending on the standard used:

Lenient standard. This standard, which was advocated by Gore, would count any alteration in a chad—the small perforated box that is punched to cast a vote—as evidence of a voter's intent. The alteration can range from a mere dimple, or indentation, in a chad to its removal. Contrary to Gore's hopes, the USA TODAY study reveals that this standard favors Bush and gives the Republican his biggest margin: 1,665 votes.

Palm Beach standard. Palm Beach County election officials considered dimples as votes only if dimples were found in other races on the same ballot. They reasoned that a voter would demonstrate similar voting patterns on the ballot. This standard—attacked by Republicans as arbitrary—also gives Bush a win, by 884 votes, according to the USA TODAY review.

Two-corner standard. Most states with well-defined rules say that a chad with two or more corners removed is a legal vote. Under this standard, Bush wins by 363.

Strict standard. This ''clean punch'' standard would only count fully removed chads as legal votes. The USA TODAY study shows that Gore would have won Florida by 3 votes if this standard were applied to undervotes.

Because of the possibility of mistakes in the study, a three-vote margin is too small to conclude that Gore might have prevailed in an official count using this standard. But the overall results show that both campaigns had a misperception of what the ballots would show. The prevailing view of both was that minority or less-educated Democratic voters were more likely to undervote because of confusion.

Gore's main strategy throughout the post-election dispute was to secure a recount of any kind in the hope of reversing the certified result. Bush's strategy was to stop the recount while he was ahead. But his views on how recounts should be done, in the counties where they were underway, would have been potentially disastrous for him if used statewide.

Bush and Gore were informed Tuesday of the new study's results. Both declined comment. But White House spokesman Ari Fleischer said, ''The President believes, just as the American people do, that this election was settled months ago. The voters spoke, and George W. Bush won.''

The newspapers' study took three months to complete and cost more than $500,000. It involved 27 accountants who examined and categorized ballots as they were held up by county election officials.

The study has limitations. There is variability in what different observers see on ballots. Election officials, who sorted the undervotes for examination and then handled them for the accountants' inspection, often did not provide exactly the same number of undervotes recorded on election night.

Even so, the outcome shows a consistent and decisive pattern: the more lenient the standard, the better Bush does. Because Gore fought for the lenient standard, it may be more difficult now for Democrats to argue that the election was lost in the chambers of the U.S. Supreme Court rather than the voting booths of Florida.

The study helps answer the question: What would have happened if the U.S. Supreme Court had not stopped the hand count of undervotes?

However, it does not answer all the questions surrounding another set of Florida ballots: the 110,000 ''overvotes,'' which machines recorded as having more than one presidential vote. These ballots were rejected by the machines and were considered invalid. Some Democrats say if all of Florida's overvote ballots were examined by hand to learn voters' intent, Gore would have prevailed.

USA TODAY, The Miami Herald and Gannett and Knight Ridder newspapers also are examining Florida's overvotes for a study to be published later this spring. Overvotes contain some valid votes, mostly instances when a voter marked the oval next to a candidate's name and then wrote in the name of the same candidate.

No candidate requested a hand count of overvotes and no court—federal or state—ordered one. The U.S. Supreme Court cited the state court's failure to include the overvotes in its recount order as an example of arbitrariness.

Immediately after Gore, conceded the election to Bush, The Miami Herald began to evaluate what might have happened if the U.S. Supreme Court had not stopped the recount of undervotes.

Florida is one of the few states that permit members of the public to examine ballots after they've been cast. The Miami Herald and the BDO Seidman accounting firm began examining ballots on Dec. 18. USA TODAY joined the project in January. The last undervote ballot was examined March 13.

Florida law requires that political parties be notified of ballot inspections. The Republican and Democratic parties took different approaches to the three months of ballot inspections.

The Democrats took a hands-off approach. They rarely showed up at election offices during the evaluation. ''We want to see what you find. It's not our role to be at the table with you,'' Tony Welch spokesman for the Florida Democratic Party, said during the newspapers' study. ''If we're spinning and the Republicans are spinning, people won't believe the result.''

He said at the time that the party expected the outcome would show that Gore receive more votes than Bush.

By contrast, the Republicans attended every ballot inspection. They devoted hundreds of days of staff and volunteer time. The party delayed cutting its post-election staff of field directors from 12 to 6 so it could staff the ballot inspections. Some Republicans took meticulous notes on the contents of the ballots. Others just watched. The Republican Party of Florida published a daily internal memo called ''Reality Check,'' which critiqued the media efforts to examine ballots.

In an interview before the results were released, Mark Wallace, a Republican lawyer assigned to critique the media inspections, said, ''The media appear ready to offer unprecedented liberal standards for judging what is a vote. The appropriate legal standard is what was in place on Election Day: cleanly punched cards only.''

Before this election, almost nothing was known by the public and by political parties about what types of marks appear on undervotes and overvotes, which make up about 2% of ballots cast nationally. The newspapers' study shows both parties predicted incorrectly which of these ballots would help them.

Democrats and Republicans noted that voter errors on punch-card voting machines were most frequent in low-income and predominantly minority precincts. Because these voters tend to vote Democratic, the disputed votes were assumed to be a rich trove of support for Gore.

Likewise, both parties noted that the 41 Florida counties that used optical-scan ballots, a system similar to standardized school tests, tended to vote Republican.

Bush supporters attacked Gore for asking for hand counts in three Democratic-leaning counties. If any hand count occurred, it should include the Republican-leaning optical-scan counties, too, the Bush supporters said.

The USA TODAY/Miami Herald/Knight Ridder study shows that the Democratic and

Republican assumptions were largely wrong. The under-vote ballots actually break down into two distinct categories:

Undervotes in punch-card counties. In the 22 punch-card counties in which BDO Seidman examined undervotes, 56% of the 35,761 ballots had some kind of mark on them.

The study found that punch-card undervotes correlated less to race of party affiliation than to machine maintenance and election management. Counties that maintain machines poorly—not cleaning out chads frequently, for example—have plentiful undervotes. The study shows that when undervotes are had counted, they produce new votes for the candidates in proportions similar to the county's official vote.

For example, in Duval County, where Jacksonville is the county seat, Bush defeated Gore 58%–41%. Among the undervotes, Bush defeated Gore 60%–32% under the lenient standard and by similarly comfortable numbers under all standards. Bush picked up a net of 930 votes, including 602 dimples.

Likewise, in Miami-Dade, where Gore hoped to score big gains, he received 51% of the marked undervotes, about the same as the 52% that he got in the official count.

Undervotes in optical-scan counties. In the 37 optical-scan counties in which BDO Seidman examined undervotes, one third of 5,623 ballots had discernible votes.

The most common was when a voter made an X or check mark, rather than filling in the oval properly. Other common errors included circling the candidate's name or using a personal pencil or pen that couldn't be read by the machine. Black ink that contains even a trace of red will not register on many vote-counting machines, even when the mark appears pure black to the human eye.

The study shows that these errors were disproportionately common among Democratic voters. For example, in Orange County, home of Orlando, Gore edged Bush 50%–48% in the election. But Gore won the undervotes by 64%–33%, giving him a net gain of 137 votes. That accounted for half of the 261 votes Gore gained in optical-scan counties, which Bush won overall by 53%–44%.

The study found that optical-scan counties are the only places where Gore actually picked up more votes than Bush: 1,036 to 775 for Bush.

In the punch-card counties, where Gore had placed his hopes, his chances of winning a hand count were washed away. On dimples alone, Bush gained 1,188 votes. When all the possibilities are combined—dimples, hanging chads, clean punches—Bush outdid Gore by 8,302 to 6,559.

USA TODAY's analysis is based on accepting Bush's official 537-vote margin. This figure includes hand counts completed in Broward and Volusia counties before the U.S. Supreme Court intervened.

The newspaper also accepted hand counts completed in Palm Beach, Manatee, Escambia, Hamilton and Madison counties, plus 139 precincts in Miami-Dade.

These hand counts, which were never certified, reduced Bush's lead to 188—the starting point for USA TODAY's analysis.

The newspaper excluded these counties from its analysis. However, BDO Seidman collected data in these counties, and they are available on USATODAY.com.

In the end, Florida's presidential election remains remarkably close by any standard: 2,912,790 to 2,912,253 in the official count.

In an election this close, the winner often depends on the rules and how they are enforced.

BATAAN IS SYNONYMOUS FOR BRAVERY

(Mr. FILNER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FILNER. Mr. Speaker, I rise today close to the 59th anniversary of Bataan Day, April 9, 1942, to recognize the brave soldiers who were captured on this day and forced into the infamous Bataan Death March.

I was honored to travel to the Philippines a few years ago to commemorate this day with then-President Ramos.

The fall of Bataan in World War II involved the surrender of 70,000 soldiers, 12,000 of whom were Americans and 58,000 Filipinos. Many died on the death march, and those who survived were imprisoned under inhumane conditions where countless more died.

These soldiers and their comrades foiled plans for a quick takeover of the region and allowed the United States the time needed to prepare for victory in the Pacific. We can recognize their courage and bravery by passing H.R. 491, the Filipino Veterans Equity Act, which would recognize the great courage and bravery of the Filipino veterans in World War II and specifically on Bataan Day April 9, 1942.

WE MUST MAKE SURE THAT THE FUTURE IS ONE IN WHICH ALL THE PEOPLE OF THE WORLD CAN SURVIVE

(Mr. KUCINICH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KUCINICH. Mr. Speaker, recently the administration made the decision to set aside years of work of people from all over the world to deal with the problem of global climate change. All over the United States we have seen the evidence of change in a global climate. We have seen conditions of excessive heat in the South. We have seen tornados occur where they never occurred before. We have seen floods occur, 100-year floods occurring, every few decades and even more frequent than anyone could ever imagine.

We need to come together as a Nation and as a world to address the issue of global climate change. Man-made activities are forming and affecting our global climate, and we owe it to ourselves and to our children and to future generations to start now to do something about bringing down CO_2 levels and to do something about addressing global climate change.

It is a reality. We have to start preparing for the future, and we must make sure that the future is one in which all the people of the world can survive. America has a responsibility to the world to begin the work of cleaning up our environment.

IT IS TIME THAT CHINA LET THE CREW OF THE DOWNED EP–3 COME HOME

(Mr. CUNNINGHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CUNNINGHAM. Mr. Speaker, I would like to cover real quickly the EP–3 incident with China. Some of my colleagues had questions. From the time the aircraft was hit, the EP lost 8,000 feet. I am sure the crew inside thought that those were their last minutes. They had 20 minutes to make a determination with a single-engine gone, another engine damaged and the entire front of the airplane off.

Some of my colleagues say, why did they not fly to other places? The chances for fire and explosion on that airplane were very high.

Secondly, we are in a non-Cold War situation. The rules of engagement dictated that they fly and land that airplane to save the crew.

Why not ditch the airplane? The EP–3 has probably got a minute and a half from the time it hits the water. It is not like pulling over to the side of the road and changing a tire. Half the crew is going to be lost.

Why not bail out? The closest rescuer or destroyer was over 12 hours away, which would have put them there about 11:00 at night. It was not an option.

Our crew did a good job. They had 20 minutes to get rid of all the classified material, which we think that they were able to do. I think they did a good job. I think we owe them a lot of our appreciation, and it is time that China let them come home.

NAMES OF SURVEILLANCE EP–3 CREW MEMBERS DOWNED IN CHINA

Mr. KIRK. Mr. Speaker, continuing on that theme, I want to read the names of the crew: Richard Bensing, Steven Blocher, Bradford Borland, David Cecka, John Comerford, Shawn Coursen, Jeremy Crandall, Josef Edmunds, Brandon Funk, Scott Guidry, Jason Hanser, Patrick Honeck, Regina Kauffman, Nicholas Mellos, Ramon Mercado, Shane Osborn, Richard Payne, Kenneth Richter, Marcia Sonon, Jeffrey Vignery, Wendy Westbrook, Rodney Young, Richard Pray and Curtis Towne. Twenty-four Americans, day four of their being held in China. It is time to bring them home, Mr. Speaker.

SALUTE TO SCOTT GUIDRY BEING HELD IN CHINA AGAINST HIS WILL

(Mr. WELDON of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WELDON of Florida. Mr. Speaker, I rise to salute Scott Guidry of Satellite Beach. He is a constituent of

mine who is being held in China against his will.

The EP–3 military aircraft is sovereign U.S. territory. Under the 1944 Chicago Convention signed by China, that is considered sovereign U.S. territory and should be returned to the United States. China has chosen to ignore that agreement, along with many others over the years.

I would encourage every American who is going to go shopping over the next few days to look at the labels on the products they are going to purchase and see if it is made in the U.S.A. or it is made in China. I would encourage every American to stand in solidarity with all those servicemen being held against their will and send a message to our friends in China that they are doing something they should not be doing. We certainly join with all the families of all those airmen, naval officers, naval enlisted, who are being held overseas with our thoughts and prayers that we are with them. It is time that they be sent back.

□ 1600

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. GRAVES). Under the Speaker's announced policy of January 3, 2001, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

MENTORING FOR SUCCESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Nebraska (Mr. OSBORNE) is recognized for 5 minutes.

Mr. OSBORNE. Mr. Speaker, a few years ago I ran across a study which was done on the Fullerton, California, public schools in 1940. It was kind of interesting, the number of the concerns that the teachers in the Fullerton, California, public schools had at that time. Number one was talking in class, number two was chewing gum in class, number three was not putting waste paper in the waste paper basket, and number four was getting out of turn in line when going from one class to another.

More recently I saw this study replicated when they went back to the Fullerton, California, public schools and asked the teachers what their main concerns were, and this is what the list read like. The number one concern was drug abuse, weapons in school, gangs, teenage pregnancy, teenage suicide, alcohol abuse, violence and so on.

So, in the last 50 to 60 years, we have seen an amazing shift in our culture. I guess over 36 years of coaching, I saw some of the same changes, the same dynamics in some of the young people I was dealing with.

So I guess I have asked myself from time to time, what has caused this shift? I think really two basic elements that I can point to. One is family disintegration. Currently one-half of our children grow up without both biological parents, and back in the 1940s and the 1950s, this percentage was probably no more than 5 or 10 percent. We have 18 million fatherless children in our country today. When your dad does not care enough to stick around to see what you look like, it leaves a vacuum in your life, it leaves a hole that you are oftentimes trying to fill with all the wrong things. So fatherlessness is a huge problem. The out-of-wedlock birth rate has gone from 5 percent in 1960 to 33 percent today. So the family structure has definitely changed.

Secondly, I think there have been some things that I would refer to as the unraveling of the culture. I think almost everyone is aware of the fact that we are living in the most violent Nation in the world for young people. We have the highest homicide rate, the highest suicide rate for young people of any civilized nation or any nation anywhere.

Thirdly, drug and alcohol abuse has certainly become rampant and a very virulent problem in our society, and, of course, there has been a media influence that I think at times some of the music, some of the television, some of the movies that young people are exposed to has been a problem.

So, we may say that I have outlined a lot of problems. What are the solutions? We need some answers. I guess one of the things that I would point to that has proven to be effective is mentoring. A mentor is someone who supports, affirms, provides stability, provides a vision of what is possible for a young person. I guess in athletics I saw this very graphically borne out, because if you told an athlete or a player that he was not very good, that he did not have a future, that he was limited in talent, it would not be long before he would begin to play down to that expectation, and usually he would leave the team before very long. But on the other hand, if you said, I see a great deal of potential, I see some talent, I see some things where you could be a great player, many times that player will begin to perform in a way that he himself did not even begin to expect. So affirmation is critical.

Basically, that is what mentoring is. It is affirming. It is supporting. It is telling somebody they can do it.

So mentoring actually works. There are studies that have shown realistically that people who are mentored, who are in good mentoring programs, young people will be 52 percent less likely to skip school, 50 percent less likely to begin using drugs, 36 percent less likely to lie to a parent, 30 percent less likely to commit a violent act of any kind, and they are less likely to drop out of school, and have better relationships with friends and family.

So for that reason I am introducing today a bill called Mentoring for Success. What this bill does is it provides grants to expand mentoring through new programs and existing programs throughout the country that supposedly, I believe, would probably reach about 200,000 young people in our country. It also would provide for training of mentors, background checks on mentors; and it would study the long-term effects of different types of mentoring programs. Right now there are a lot of them out there. We do not know exactly what is most effective, and this would provide for a study that would provide more data and more information.

Currently we spend billions of dollars on incarceration, on juvenile justice programs, and once someone is caught up in the juvenile justice system or the criminal justice system, oftentimes they just do not get out of it. So we need to spend more time on the front end of the process, and mentoring is certainly a very viable alternative and something that I hope that all people would certainly consider.

Mr. Speaker, this bill is very important. I think it is something that we really cannot afford not at this time to address.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. BLUMENAUER) is recognized for 5 minutes.

(Mr. BLUMENAUER addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. BILIRAKIS) is recognized for 5 minutes.

(Mr. BILIRAKIS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. BROWN) is recognized for 5 minutes.

(Mr. BROWN of Ohio addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

THE TIME IS RIGHT FOR TAX REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. LINDER) is recognized for 5 minutes.

Mr. LINDER. Mr. Speaker, today the House of Representatives completed the third piece of President Bush's promised tax relief agenda. I have been proud to support President Bush with my vote in favor of all three of the components of this proposal.

But now that we have succeeded in the House with tax relief legislation, we must begin to turn our attention toward tax reform legislation. For that reason, I have come to the well of the House today to tell my colleagues that soon I will introduce in the 107th Congress my fair tax proposal. This proposal, which will be introduced as H.R.

2525, as it was in the 106th Congress, is bipartisan, cosponsored by the gentleman from Minnesota (Mr. PETERSON), my Democrat colleague.

This is a serious proposal supported by academic research from Harvard, Stanford, Boston University, MIT, and more, and it is a popular proposal being supported by the over 400,000 members of Americans for Fair Taxation, and having had nearly $20 million privately raised and spent on economic and market research to support this effort.

Mr. Speaker, let me tell my colleagues what we discovered. There is not a mechanism for a business to pay a tax. I have had several businesses in my life, and I never had that secret drawer where money piled up behind me to pay the corporate share of the payroll tax, the corporate income tax, or the accountants and attorneys to avoid the tax. It all gets embedded in the value of the product that is purchased by consumers, and the only taxpayers in the world are consumers who finally consume the product and all of the taxes embedded in it. Research we have had done at Harvard's economics department suggests that 22 percent of what one pays for at retail for personal consumption is the embedded cost of the IRS.

My friends, a fair tax is a national retail sales tax with a rate of 23 percent. You will pay 1 percent more for your cost of living, but you will get to keep your whole check, the whole check, including the payroll tax will no longer be taken out.

By authorizing this one sales tax, we will eliminate the personal income tax, the business income tax, the payroll tax, the death tax, the capital gains tax, the sell-employment tax, and the gift tax. And, in doing so, we eliminate the IRS and all of its associated problems.

If anyone read this morning's Washington Post, Treasury Department employees, acting as citizens, making phone calls to the IRS helpline to get help with tax returns, tell us that 47 percent of the responses they received from the IRS people were in error. That is up from 25 percent 4 years ago. But our Treasury Department in which the Social Security resides tells us that 47 percent of their responses are wrong. They do not understand the system. It is time for it to go away.

I believe that the time for tax reform has come. While I certainly believe that the fair tax is the best change, I believe we should have an open debate on others. I am willing to talk about the flat tax. It is better than the current system. I also believe that we virtually passed the flat tax in 1986 with only two levels of taxation and eliminating many of the deductions, and we have amended it 6,000 times since then. For as long as we know something about you and where you make your income and how much you make and how you spend it and invest it, we can find ways to tax it. America deserves this debate so we can totally revamp the system.

Mr. Speaker, it has been said that the sales tax is regressive and hits most heavily on the poor. I want to say that the poor are paying it. Everything that anyone, rich or poor, buys has a 22 percent burden of the embedded cost of the IRS. Getting rid of the IRS will undo that burden. We also provide a rebate at the beginning of every month, for every household, rich or poor, to offset the entire tax consequences of spending up to the poverty line. The Federal Department of Health and Human Services tells us that poverty-level spending, which is $8,500 for a household of one or $25,000 for a household of 5, will be enough spending to provide the necessities, the essentials of living, food, clothing, health care, housing. We believe that anyone should be able to buy those essentials with no tax consequences, and our rebate will cover those.

Mr. Speaker, if anyone is interested in becoming a part of this effort, contact me or the gentleman from Minnesota (Mr. PETERSON). We cannot change this world alone, but with the help of our colleagues and the enthusiasm of America, we will.

SUPPORT THE MENTORING FOR SUCCESS ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. KELLER) is recognized for 5 minutes.

Mr. KELLER. Mr. Speaker, I rise today in support of the Mentoring for Success Act which we filed earlier today. This bill authorizes $100 million for competitive grants to be allocated by local school districts and nonprofit community-based organizations for the purpose of starting up mentoring programs for high school students, to encourage them not to drop out of high school, to reduce their involvement in gangs, and also to improve the performance for children, elementary and middle schools.

The chief sponsor of the Mentoring for Success Act is the gentleman from Nebraska (Mr. OSBORNE). I am proud to be the original cosponsor of this important legislation.

I would like to address just three points today. First, I would like to talk a little bit about the background of the sponsors of this bill and why it is so important to us. Second, I would like to talk about the educational benefits of this bill. Third, I would like to talk about the crime prevention benefits of this bill.

First, with respect to the sponsor of this legislation, there is probably no Member of Congress who has had more success with mentoring young people than the gentleman from Nebraska (Mr. OSBORNE), a former coach.

□ 1615

Coach Osborne led the Nebraska Cornhuskers football team to three national championships, and he has the winningest coaching record in the history of college football.

As for me, my background in this area is far more humble than Coach Osborne's. However, I did have the privilege of serving as the volunteer Chairman of the Board of the Orlando-Orange County Compact Program, the largest mentoring program in the State of Florida. I also had the privilege of serving as a mentor myself to two students at Boone High School in Orlando, where I attended.

I have been a big believer in mentoring programs since I was a small child. Back when I was in elementary school, my mom, who was a single parent, thought it would be a good idea for me to have a mentor. She went down to the Big Brothers Big Sisters organization and arranged for me to have a mentor.

My mentor throughout my childhood was a man named Tom Luke. Tom has worked for the Orlando Sentinel, which is a local paper in Orlando, Florida, for the past 28 years as their manager of the computer services department.

Tom, along with my mom, played a very key role in mentoring me as a child. They are, in large part, responsible for whatever success I may have today.

Mr. Speaker, I would now like to address the educational benefits of the Mentoring for Success Act, particularly as it relates to preventing children from dropping out of high school.

In my home State of Florida, we had a big problem: Only 53 percent of our children were graduating from high school. So we in the Orlando area decided to do something about it. We created what is known as the Orlando/Orange County Compact Program. That is a mentoring program that matches up students who are at risk of dropping out of public high schools with mentors from the business community who work with these young people 1 hour a week. It is sort of like a Big Brothers Big Sisters program.

The results from this mentoring program have been dramatic. Over the past 10 years, 98 percent of the children in the Compact Program in Orlando have graduated from high school, the number one graduation rate in the United States. Let me give just one example of how this program is successful, because this is exactly the type of program that the Mentoring for Success Act seeks to create.

There was a young 18-year-old African American man named Lenard who was attending Jones High School, which is an inner city school in Orlando. Lenard was struggling in school. He was making Ds and Fs. He was skipping school. He had been arrested for selling drugs. He announced that he was intending to drop out of school.

Lenard agreed to be in the Compact Program on one condition. He said, Just do not give me a white mentor. Naturally, we assigned Lenard a white mentor, an AT&T executive named Paul Hurley. To make a long story short, Lenard's mentor developed a friendship with him, and met with him

every week. By Lenard's senior year, he went on to become Orange County's student of the year.

In his senior year, Lenard won a raffle at Jones High School. The winner got two tickets to the Orlando Magic basketball game, great seats. He called his mentor and said, ''Hey, I just won two tickets to the Orlando Magic game tonight.'' His mentor replied, ''That is great. Why don't you ask your best friend?'' Lenard said, ''That is why I called you.'' Mentoring makes a difference, one child at a time.

Finally, I would like to discuss the crime prevention benefits of this important legislation. In Florida, 70 percent of the inmates in our jails and prisons are high school dropouts. It costs the taxpayers $25,000 a year for each of these prisoners in our Federal prisons, compared to only $5,000 a year to educate a child in the public schools.

Clearly, making this small investment in mentoring now will save us hundreds of millions of dollars down the road in reduced prison and welfare costs.

In summary, the Mentoring for Success Act sponsored by Coach Osborne and myself will make a meaningful difference in the lives of young people, will improve education, will prevent crime, will save us money, and I urge my colleagues to cosponsor this legislation and vote yes on this important bill.

APPOINTMENT OF MEMBER TO PERMANENT SELECT COMMITTEE ON INTELLIGENCE

The SPEAKER pro tempore (Mr. GRAVES). Without objection, and pursuant to clause 11 of rule X and clause 11 of rule I, the Chair announces the Speaker's appointment of the following Member of the House to the Permanent Select Committee on Intelligence to fill the existing vacancy thereon:

Mr. PETERSON of Minnesota.

There was no objection.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. PALLONE) is recognized for 5 minutes.

(Mr. PALLONE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

SHIPBUILDING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri (Mr. SKELTON) is recognized for 5 minutes.

Mr. SKELTON. Mr. Speaker, events are once again turning the world's eyes to the Pacific. Indonesia continues to be unsettled. North Korea is abandoning its move towards conciliation. And every American is aware of the provocative actions recently undertaken by China in holding 24 Americans captive.

Secretary Rumsfeld has stated that this administration will put a new emphasis on the Pacific. That is wise. But to carry out that intention across such a broad expanse of water will require ships.

Demand for naval forces has not gone away with the Cold War; it has increased. Yet, at current build rates, the overall fleet will sink below 300 ships before the decade is out, on a course for Davy Jones' locker. We are already missing missions today. How dire will the situation be with a 200-ship fleet?

I am not much given to dramatic statements, Mr. Speaker, but let me say this clearly: America should rebuild its Navy, and we should begin now.

To rebuild requires far more than simply stabilizing the size of the fleet. The Navy does not get anywhere by treading water. Instead, we have to reverse the trend in shipbuilding. A wise man used to say that the Navy is moving to a smaller fleet to meet its worldwide commitments, but the world is just as wide. That man's name was Norman Sisisky, and nobody in this House, nobody was more dedicated to reversing the trend in shipbuilding than our good friend from Virginia.

By the way, I believe that ''Norman Sisisky'' would make an excellent name for a capital ship.

Why build more ships? Because it is presence, American presence, that helps avoid war: presence in peacetime, at pierside, showing our allies tangible proof of American support; and presence in the theater, exercising, working with allied navies, and serving notice to all that America is not thousands of miles away, it is just over the horizon. Naval presence is an open hand that can quickly become an iron fist should the need arise.

We can focus on the Pacific all we like, but maintaining a strong naval presence there requires more ships than we have now. Then, what of our commitment to Europe, the Atlantic, the Mediterranean, the Middle East?

Ships require sailors. Sea duty is hard and challenging. It can be heartbreaking. The sailor is the backbone of the Navy. While some question whether sea duty is still that service's highest calling, there is no doubt in the mind of this son of a sailor that it should be.

It is not just the duties at sea that make the sailors so valuable, it is their presence in foreign ports, showing citizens around the world that Americans are open, friendly, and interested in their country. That is as much a benefit of naval presence as the speedy response to crises that may emerge.

A rebuilt Navy should be able to operate from shoreline to shoreline, on the surface, above, and below. That will require a range of ships: small ships, to operate in close; medium ships, to provide cover for the smaller ships in shore, but able to keep station with battle groups as needed; submarines, capable of operation in all waters and able to carry land attack missiles and support special operations forces; and heavy capital ships, to maintain freedom of the seas.

Ships do not just happen, we must build them. We must equip them. We must provide a trained and ready crew. That all takes resources and commitment, resources from Capitol Hill and a commitment, beginning with the CNO and including every sailor in the fleet.

That is why a larger Navy must be in the budget from the start, particularly this year. The Navy cannot rely on Congress to add money above the top line to make up for its own budget shortcomings. For years, we in Congress added money to the administration's defense budget. I do not believe that we will so readily revise the new administration's plans.

But I do not doubt that with support in the administration budget, Congress will follow. As Members of Congress, the purse is our responsibility. Without a doubt, ships are expensive. Building more ships is more expensive, but not being where we are needed when we are needed there is the most costly of all.

I believe in my heart that one ship flying the American flag alongside one foreign pier makes friends, warns enemies, and ultimately reduces the need to send many more ships out on the high seas.

To provide presence, we need hulls. To engage in littoral, we need hulls. To do the job we ask the Navy to do, we need hulls.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. JONES) is recognized for 5 minutes.

(Mr. JONES of North Carolina addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from the District of Columbia (Ms. NORTON) is recognized for 5 minutes.

(Ms. NORTON addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

URGING MEMBERS TO SUPPORT LEGISLATION TO CLARIFY LAW REGARDING FUNDRAISING BY NONPROFIT ORGANIZATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. EHRLICH) is recognized for 5 minutes.

Mr. EHRLICH. Mr. Speaker, I rise today to announce the introduction of legislation that would help clarify the law regarding fund-raising by nonprofit organizations.

I want to first recognize and thank the gentleman from Indiana (Mr. BURTON), the chairman of the Committee on Government Reform, who is sponsoring this bill with me for his leadership on this important issue.

Congress recognized the many important and worthwhile activities of nonprofits by establishing a nonprofit mail

rate for charities, churches, educational advocacy, and other nonprofit organizations. These are enumerated in the Postal Reorganization Act of 1970.

One of Congress's objectives was to make it more affordable for nonprofits to collect donations to fund their activities. For a mail piece to be eligible for the lower rate, Congress prescribed two requirements: First, the organization or mailer must be qualified to mail at the nonprofit rate; and second, the qualified organization must own the mail piece.

Over the last several years, Mr. Speaker, the United States Postal Service, which has made great strides under Postmasters Runyon and Henderson, has increasingly applied the statutory standard of ''ownership'' in a way that may have a chilling effect on the use of nonprofit mail rates to obtain donations for charity, education, and advocacy.

The purpose of the bill that the gentleman from Indiana (Chairman BURTON) and I are sponsoring is to clarify ambiguities existing in both law and postal service regulations with respect to fund-raising.

The bill clarifies the law so the postal service does not read the statutory ''ownership'' test so literally as to disqualify fund-raising mail sent by otherwise eligible nonprofit organizations that negotiate a risk-sharing agreement with respect to their fund-raising mail.

In my view, Mr. Speaker, it is imperative that otherwise qualified nonprofit organizations be able to secure donations at the lowest possible cost. When nonprofits conduct activities that further purposes enumerated in the statute, for example, to provide safety net social services, they ease the burden on taxpayers and deliver high quality services to all Americans.

This Congress is asking nonprofits to provide services the government has traditionally been ineffective and inefficient in providing. Given this purpose, it would be irrational for Congress to limit use of the nonprofit bill rate only to fund-raising campaigns that raise donations sufficient to pay mailing costs.

It is important to point out that our bill is not a back door to allow unauthorized parties to mail at the nonprofit rate. Current law restricts an otherwise qualified organization from utilizing the nonprofit rate to sell goods or services. Seeking a donation, however, is different from promoting the sale of a product or service.

Furthermore, Mr. Speaker, Congress has instituted reforms limiting a nonprofit's use of the special mail rate to sell products and services. This bill does not affect the reforms Alaska Senator Ted Stevens set in motion in the 1980s in that regard.

This bill also recognizes the subsequent reform Congress enacted to require sales promoted at the nonprofit rate to be substantially related to the purpose for which the nonprofit qualified for the nonprofit rate.

More importantly, Mr. Speaker, this bill does not limit the postal service's authority to enforce any other section of the Federal postal statutes. Accordingly, the postal service retains all of its tools to discover and prosecute fraud, a mission I strongly support.

The problem addressed by this bill is the postal service's present interpretation of the statutory ''ownership'' standard, which is causing litigation and inconsistent application in nonprofit fund-raising cases.

Respectfully, I ask my colleagues to join me in supporting this important legislative measure.

□ 1630

MANAGED CARE REFORM, PATIENT ACCESS TO SPECIALTY CARE

The SPEAKER pro tempore (Mr. GRAVES). Under a previous order of the House, the gentleman from Texas (Mr. GREEN) is recognized for 5 minutes.

Mr. GREEN of Texas. Mr. Speaker, I rise today to continue what is a series of speeches or Special Orders on the need to reform our Nation's managed care industry. In the past I have discussed external and internal appeals processes, medical necessity, and the need for accountability. Today I would like to discuss patient access to specialty care.

Specialists fill an invaluable role in our Nation's health care system. And many of us have sought the services of a specialist because of high blood pressure, a broken arm, or migraine headaches. But oftentimes, HMOs refuse patients access to specialists because they do not have such specialists in their network or they are across town or literally unavailable.

Such is the case of Sarah Peterson from San Mateo, California. She was born with a brain tumor that required her to see a physician who specialized in brain tumors. But her HMO, which was obtained through her father's employer, told her mother that she would not be able to see a pediatric specialist. She was told, what difference does it make, cancer is cancer.

Well, it does make a difference if you are the parent of a child with a potentially deadly tumor. While Sarah was fighting for her life, her parents were fighting an HMO to get her the quality health care they were paying for. This situation could have had dire consequences; but fortunately for Sarah, her parents changed plans during the middle of this medical crisis. Sarah is now 8 years old and is doing well. But she still has a tumor and will still need to see a specialist. Hopefully, her health insurance will let her continue to see that specialist.

The prognosis is not as promising for young Kyle of Bakersfield, California. Kyle began having ear problems when he was 6 months old. After months of corrective measures, antibiotics, infections, and finally a ruptured eardrum, Kyle's HMO referred him to an ENT. The ENT performed surgery to put tubes in Kyle's ears which would allow for the drainage of the infected fluids, but that surgery was too little too late. After 10 days, Kyle's ears began to bleed. Had the HMO followed the advice of the ENT, they would have given Kyle a CAT scan to provide evidence of cholosteatoma, a severe infection that destroys the bone in the inner ear. But again, the HMO denied this vital test, and Kyle's ear problems continued along, undiagnosed.

Finally, after losing all patience with the HMO, his parents changed plans and were advised that their son needed this exploratory surgery. It was then that they learned of the severe nature of the cholosteatoma and that Kyle would need another surgery. After all of the waiting, surgeons had to remove all of the bones in Kyle's middle ear. Because of the delay in specialty care, combined with the HMO's denial of a simple test, Kyle's doctors anticipate he will suffer significant hearing loss as he reaches his adolescence.

A denial of specialty care was deadly for Glenn Neally, who lost his life because an HMO denied him direct access to specialty care. When Glenn's employer changed plans in March 1992, he made sure that the managed care plan would continue to cover treatment of his cardiac condition, unstable angina. His cardiologist had prescribed a strict regime of nitrates, calcium blockers, and beta blockers. He was assured that he would be able to see his cardiologist. But his HMO required him to obtain a referral for follow-up treatment by his cardiologist. Bureaucratic paperwork problems gave Glenn the run-around for 2 months, while he tried to get the proper ID cards, referrals and pharmacy cards. Even after obtaining all of this paperwork, his HMO formally denied his request that he receive follow-up visits with his previous cardiologist and instead was forced to see their participating cardiologist in May of that year.

That turned out to be one day too late for Glenn. He died of a massive heart attack on May 18, leaving behind his wife and two sons.

Mr. Speaker, I stand here today and tell story after story of the damage that occurs when people are denied access to specialty care. But what this really tells us, we need managed care reform on a national basis like the Bipartisan Patient Protection Act, H.R. 526.

This legislation ensures that patients who need specialty care can reach that specialist. It would ensure that children like Kyle and Sarah have direct access to their pediatrician.

This plan could have helped Glenn Neally because it would have ensured that plans cover specialists even outside the network. It ensures that patient care is continuous, and if provider networks change, a patient is not forced to change doctors in midstream.

These provisions are not abstract, legal, or political. These are real protections that make a real difference in saving people's lives. I hope my colleagues will consider how vital specialist care is for those who do not have access and join me in supporting H.R. 526, the Bipartisan Patient Protection Act.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1187

Mr. SANDERS. Mr. Speaker, I ask unanimous consent to have my name withdrawn as a cosponsor of H.R. 1187.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Vermont?

There was no objection.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. WOLF) is recognized for 5 minutes.

(Mr. WOLF addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. PETERSON) is recognized for 5 minutes.

(Mr. PETERSON of Pennsylvania addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. SCHIFF) is recognized for 5 minutes.

(Mr. SCHIFF addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

DETENTION OF 24 CREW MEMBERS IN CHINA

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New Mexico (Mrs. WILSON) is recognized for 5 minutes.

Mrs. WILSON. Mr. Speaker, 24 Americans are currently being detained in China under circumstances that are unacceptable. Today, the Chinese ambassador has said that the crew members are in China because the investigation is going on, and China's foreign minister has asked for an apology. The Chinese news agency, Xinhua, reports that the American ambassador was admonished and told that the U.S. has displayed an arrogant air, used lame arguments, confused right and wrong, and made groundless acquisitions against China.

America has nothing to apologize for. Our aircraft was operating in international air space when Chinese interceptors came close to investigate it. They came too close and caused a mid-air collision.

Mr. Speaker, we all know that sometimes in international politics, statements are made for internal consumption rather than for the ears of other powers. But the Chinese government needs to understand that here in Congress we are listening and watching. Their action or failure to act has consequences. This is an unusual situation in which an American military aircraft had to make an emergency landing on Chinese soil. I am supportive of the President's desire to keep this accident from becoming an international incident, but every hour that goes by without the return of our crew makes the likelihood of continued good relations between our two nations less achievable.

I have supported free trade with China and engagement with China's people. That and more is at risk, and not all of it is under the control of the President and his administration. In the coming months this House may consider China's access to the WTO, arms sales to Taiwan, military to military, cultural and scientific exchanges, as well as an array of other issues important to China.

We have allowed the Chinese government time to do the right thing. We know the difference between right and wrong. Now it is time for our servicemen and women to be returned home.

CRITICAL ISSUES FACING AMERICA'S NURSES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Rhode Island (Mr. LANGEVIN) is recognized for 5 minutes.

Mr. LANGEVIN. Mr. Speaker, today I would like to address critical issues facing America's nurses, which have a tremendous impact on the quality of this Nation's health care system.

As many of my colleagues know, we face an unprecedented, dangerous shortage in the number of nurses in our hospitals, extended care facilities, community health centers, nursing education, and ambulatory care settings. This shortage is due in large part to the aging nursing population, which is not being replaced by younger entrants into this field.

Moreover, data on the nursing workforce shows that staffing shortages are already occurring and recruiting new registered nurses is becoming a looming obstacle which we will not be able to overcome without swift congressional action. The current shortage will soon be compounded by the lack of young people entering the nursing profession, the rapid aging of the nursing workforce, and the impending health needs of the baby boom generation.

That is why I am proud to be an original cosponsor of legislation to improve access to nursing education, to create partnerships between health care providers and educational institutions, to support nurses as they seek more training, and to improve the collection and analysis of data about the nursing workforce.

I congratulate my colleagues in both Chambers for their hard work in crafting this comprehensive legislation, and I urge both Chambers to bring this legislation to the floor as expeditiously as possible.

An equally vexing issue concerning our hard-working nurses is mandatory overtime. Last week I joined the gentleman from California (Mr. LANTOS), the gentleman from Massachusetts (Mr. MCGOVERN), and the gentlewoman from California (Ms. SOLIS) in introducing legislation to prohibit mandatory overtime for all licensed health care employees beyond 8 hours in a single workday or 80 hours in any 14 day work period except in cases of natural disaster or declaration of an emergency by Federal, State, or local government officials, or when it is voluntary.

The practice of mandatory overtime tears at the fiber of many hard-working families. Instead of punching out at the end of an already lengthy shift and traveling home to their families, many nurses are forced to remain at work. But more than a family or labor issue, this is a fundamental public health problem with far-reaching consequences. Exhausted health care workers can inadvertently or unintentionally put patient safety at risk. A report by the Institute of Medicine on medication errors found that safe staffing and limits on mandatory overtime are essential components to preventing medication errors. An investigative report by the Chicago Tribune also found that patient safety was sacrificed when reductions in hospital staff resulted in registered nurses working long overtime hours and being more likely to make serious medical errors.

Mr. Speaker, these studies confirm the grim stories I hear from my constituents on a regular basis. In fact, last October 1,900 people participated in a 1-day strike at Rhode Island Hospital which illustrated the magnitude of this problem facing Rhode Island nurses, hospitals and patients.

I understand that hospitals need an ample supply of nurses to safely administer patient needs, and they are not to blame for our Nation's nursing shortages. But with nurses within the Lifespan Hospital network in my State working 180,000 hours of overtime, the equivalent of 22,500 extra 8-hour shifts last year, I cannot understand why Congress does not act now to stop this injustice which risks the lives of thousands of Americans each and every day.

Mr. Speaker, what happened in Rhode Island is happening across America. That is why I urge my colleagues to join the gentlewoman from California (Mrs. CAPPS), the gentleman from California (Mr. LANTOS), and me in ensuring expedient passage of both of these bills to help our hard-working nurses and to improve the kind of quality of health care that Americans expect and deserve.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. HYDE) is recognized for 5 minutes.

(Mr. HYDE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. CUNNINGHAM) is recognized for 5 minutes.

(Mr. CUNNINGHAM addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

ESTATE TAX RELIEF

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. BAIRD) is recognized for 5 minutes.

Mr. BAIRD. Mr. Speaker, I come to the floor today as a strong supporter of reforming estate tax. In the past 2½ years, I have voted for estate tax reform almost every time it was offered on this floor. I even voted to override President Clinton's veto of the bill.

But since then there have been significant changes in our economy and in the tax proposals before this body. This administration, the Bush administration, has put all of its political muscle behind a $1.6 trillion tax cut. The House has already used $958 billion of this amount by approving income tax rate cuts, and we have used an additional $399 billion to fix the marriage penalty and phase in an increase in the child tax credit. Together, these bills have chewed up more than $1.36 trillion, 84 percent of the total tax cut proposed by the President.

Mr. Speaker, I will say right now that I think the administration's overall proposal is too large. It is too large because we do not know whether today's surpluses will be there tomorrow, and there are other tax changes which are sure to come before this body which will cost billions more.

What are we going to do to correct the problems associated with the alternative minimum tax? What are we going to do about making permanent the R&D tax credit? What do we do about fixing other unfair aspects of the Tax Code, like reinstating the sales tax deduction?

If we want to talk about real unfairness, let us reinstate sales tax deductibility to establish fairness for Washington State residents and the residents of six other States who have no income tax but pay sales taxes and cannot deduct them from their Federal return.

Today's bill should also be about fairness. The estate tax should not burden small business, small farms and individuals who have accumulated sizable assets through years of hard work. I am frustrated that some in Congress are playing numbers games because this bill that we passed today does not solve the problem quickly enough for many folks in my district. The bulk of the estate tax bill that we passed today will not be felt for 10 years. Then what happens in 10 years? The baby boom generation retires, and we have increases in our needs for Social Security and Medicare.

□ 1645

It is unclear to me why the majority has not and will not look at other legislative proposals to solve the estate tax problems. I am frustrated with the ''my way or the highway'' approach that they have taken. That is why earlier today I voted against the rule on this bill. We should have had more and better options to choose from. It should not just be a coin toss.

The Democrats put forward a bill that would take care of the estate problem today for more than 99 percent of all Americans. I do not think that bill was perfect, but I think it contained some good ideas. And I do think if we took the best parts of the Republican bill, the best parts of the Democratic bill, cleaned up some problems, we could have had something we all supported. But that does not seem to be the way we do business around here these days.

When I came to this body, we elected a Speaker who pledged bipartisan; we elected a President recently who pledged bipartisanship, but we are not seeing it. Here was an opportunity for true bipartisanship, to get together, draw the best of both bills from both parties and come up with a real solution.

Mr. Speaker, this takes a personal note for me. A month and a half ago my father passed away. One of the last things he said to me, quite literally one of the last things, was, ''Son, I'm concerned about repealing the estate tax. I worry that we risk concentrating wealth too heavily in this country.''

Two days ago I met with the owners of a Toyota dealership who told me, ''Congressman, we are concerned that if we have too exorbitant an estate tax, we won't be able to pass our dealership on to our kids and their families.'' I met with George and Peggy Thoeni, family farmers in my district, who have worked their whole life to build a family farm, and they want to pass that on to their children.

Mr. Speaker, my father was right. So are George and Peggy Thoeni, and so are Marvin and Shirley McChord. We desperately need to reform the estate tax, but we must not do so in a way that concentrates wealth inordinately in our country and jeopardizes our financial future.

Today, I voted for both the Democratic alternative and for final passage on the final bill, but we could have done better, Mr. Speaker. In true bipartisanship we could have come together, before the bills came here, and we could have crafted something that protects family businesses and small farms today, not 10 years down the road; that does not add new burdensome regulatory complications to the Tax Code; that does not allow the very, very wealthiest people in this country to pass their estates on with no tax burden whatsoever. We could have done that, but we did not.

I would hope that before this bill finally becomes law, we do come together in genuine bipartisanship. In so doing we would honor the wishes of both my father, of George and Peggy Thoeni and the McChords. Let us do this together, and let us do it right. The people deserve our doing so.

The SPEAKER pro tempore (Mr. GRAVES). Under a previous order of the House, the gentleman from Texas (Mr. SAM JOHNSON) is recognized for 5 minutes.

(Mr. SAM JOHNSON of Texas addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. under a previous order of the House, the gentleman from California (Mr. ROHRABACHER) is recognized for 5 minutes.

(Mr. ROHRABACHER addressed the House His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Illinois (Mrs. BIGGERT) is recognized for 5 minutes.

(Mrs. BIGGERT addressed the House Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. ROHRABACHER) is recognized for 5 minutes.

(Mr. ROHRABACHER addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

SPY PLANE STANDOFF

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. SHIMKUS) is recognized for 5 minutes.

Mr. SHIMKUS. Mr. Speaker, the South China Sea has always been an area of constant stress for our men and women in military uniforms, especially the cat-and-dog fights that have gone on, really for many of the past years. That is why an accident was bound to happen.

China believes the U.S. plane caused the collision by making an abrupt turn while two Chinese fighter pilots shadowed it. Give me a break. The EP–3 is a lumbering turtle, while the Chinese J8s respond like nimble jackrabbits. Colin Powell has stated, ''A tragic accident took place. We regret that the Chinese plane did not get down safely. We regret the loss of life of the Chinese pilot, but now we need to move on. We need to bring this to a resolution.''

Make no mistake, the planes were operating in international airspace. By international law, the EP–3 is sovereign U.S. territory.

Earlier today two U.S. diplomats were allowed to visit 24 U.S. crew members. The detained Americans looked healthy, but China has given no indication as to when they may be released. Among these are two Illinoisans, Seaman Jeremy Crandall of Poplar Grove, Illinois, and Sergeant Mitchell Pray of Geneseo, Illinois.

The Chinese Government is treating this like we are still in the Cold War, and we are not. Our concern is we do not want this to turn into another period of constant tension and struggle and a return back to the Cold War era. But make no mistake, the United States is not a Nation to be trifled with, and our patience will only last so long. We need our crew back, we need our plane back, and we need to return to normalized relations with China. The best way to do that is for the peaceful return of both our crew members and our plane.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Illinois (Mrs. BIGGERT) is recognized for 5 minutes.

(Mrs. BIGGERT addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. GOSS) is recognized for 5 minutes.

(Mr. GOSS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. WELDON) is recognized for 5 minutes.

(Mr. WELDON of Florida addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

BRANDON FUNK OF SHOW LOW, ARIZONA, BEING HELD BY PRC

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. HAYWORTH) is recognized for 5 minutes.

Mr. HAYWORTH. Mr. Speaker, I come to the well of this House this afternoon to invoke the name of Brandon Funk of Show Low, Arizona, and 23 others, our men and women in uniform, being detained by the People's Republic of China.

Mr. Speaker, our President has been clear and unequivocal. In addressing the Communist Chinese regime, he has said simply, ''Let our people go now and return our plane.'' I support the President, as does this House, united with one voice, not a voice of Republicans or of Democrats, but one voice as Americans.

Mr. Speaker, I would appeal to the Chinese Government to understand what is at stake. They should not underestimate the resolve of the American people, and they should not mistake the genial nature of our new Commander-in-Chief or the gentility he brings to his job as a lack of resolve.

With each passing day, the People's Republic of China is placing in jeopardy its place among the community of nations, its status as an economic power, its opportunity to highlight and showcase some of the world's great events. There is a clear choice to be made.

There are a number of options available to our Nation. Mr. Speaker, I do not come here to try to abridge or in any way describe the actions our Commander-in-Chief can take, but they are numerous, with serious repercussions for the Chinese regime in Beijing.

Mr. Speaker, again I would ask the Chinese Government not to underestimate the United States of America. Secretary of State Powell struck the proper note yesterday when he offered regret over the loss of life.

The preceding speaker, the gentleman from Illinois, made it quite clear that the EP–3 surveillance plane is not a readily maneuverable craft. It does not reach supersonic speeds, with its propeller drive. Sadly, the Chinese Government chose to scramble fighters, supersonic aircraft, in pursuit of this sovereign American plane over international airspace.

As our commander-in-chief in the Pacific noted over the weekend, it is dangerous to try and play bumper cars aloft. We should commend the skill of the American pilot, who, with a severely damaged aircraft and, in what we understand now was a rapid descent, a fall of close to 8,000 feet, had the wherewithal to be able to land the aircraft, albeit in Chinese territory.

Mr. Speaker, I would suggest that the Sino-American dictionary that is employed here should be content with the expression of regret. But, Mr. Speaker, I would say to the People's Republic of China that there is nothing in this incident that the United States of America should even begin to apologize for. Are we to throw out rules of international conduct? Are we to ignore the law of sovereignty regarding open airspace? Are we to sit by with muted complaint based on the damage to our aircraft?

Mr. Speaker, I think America speaks with one voice. I am concerned about my constituent. Brandon Funk of Show Low completed his high school degree in 3½ years; such was his desire to serve America in the military. Mr. Speaker, to Brandon and the 23 others, I say, remain strong, because the Nation you serve will do likewise.

OUR SERVICEMEN AND WOMEN IN CHINA

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Virginia (Mrs. JO ANN DAVIS) is recognized for 5 minutes.

Mrs. JO ANN DAVIS of Virginia. Mr. Speaker, I rise today to address the situation developing in the People's Republic of China with respect to our servicemen and women.

On April 1, one of our Navy's EP–3s was involved in a midair collision with a Chinese fighter craft. Tragically, it seems that the life of the Chinese pilot was lost when his fighter crashed into the sea. Our plane was forced to make an emergency landing in the People's Republic of China. What could simply have been an accident has now spiraled into an international incident because of the PRC's unreasonableness.

Mr. Speaker, international law dictates that the PRC should not have entered our plane as it constitutes sovereign territory. This was ignored. Even after offering our regrets for the loss of their pilot and explicitly offering our assistance in the search, the PRC demands an apology.

Mr. Speaker, we have offered our regrets. We have continually, over the past 8 years, time and again, shown patience with unreasonable demands put forth by the PRC. The time has come when we, as a House, should stand firm with the President and support his actions with respect to the PRC. No longer should we shrink at the prospect of standing for what is right.

Mr. Speaker, the Chinese still are in possession of our pilots. It is time that they must do what is right. The PRC must release our servicemen now, before they are perceived as hostages of a foreign nation, for that is what they will be if they are not returned in a timely manner. Should the PRC wish to engage in a timely dialogue in the future, it must take constructive actions now. It must return our plane and return our servicemen and women.

Mr. Speaker, politics should stop at the water's edge. We need to support our President.

□ 1700

A TRIBUTE TO GEORGE MIKAN: MR. BASKETBALL

The SPEAKER pro tempore (Mr. GRAVES). Under a previous order of the House, the gentleman from Minnesota (Mr. RAMSTAD) is recognized for 5 minutes.

Mr. RAMSTAD. Mr. Speaker, I rise to pay tribute to a true Minnesota legend. George Mikan, who was acclaimed Mr. Basketball in 1950 for his remarkable performances at DePaul University and with the former Minneapolis Lakers of the National Basketball Association has reached legendary status in the game of basketball and in life because of his hard work, integrity, leadership and character.

George Mikan will be honored at a nationally televised halftime ceremony during next Sunday's NBA game between the Los Angeles Lakers and the Minnesota Timberwolves. A life-sized bronze statue of George Mikan will be unveiled at the Target Center in Minneapolis. It will be a special moment for a truly special man who is most deserving of this recognition.

At 6 feet 10 inches tall, George Mikan was the first big man to display the agility, touch and skill to dominate basketball games. He was called the trunk of the NBA family tree and he helped the fledgling league draw record crowds in every city. Mikan's mere presence changed the rules of the game because he was so dominant. In fact, in an effort to stop George Mikan, the Mikan rule was invented which widened the lane underneath the basket.

With Mikan in the middle, the Minneapolis Lakers won six NBA championships in the late 1940s and early 1950s, including five of the first eight titles in the history of the NBA. On five separate occasions, George Mikan led the NBA in scoring. George Mikan is a charter member of the Naismith Memorial Basketball Hall of Fame and the Professional Basketball Hall of Fame. He was chosen one of the NBA's 50 greatest players.

But, Mr. Speaker, George Mikan's accomplishments outside basketball are just as impressive and reflect perhaps even greater determination. A successful attorney, business owner and civic leader, George Mikan was the first commissioner of the American Basketball Association. In that position, he once again helped revolutionize the game of basketball by implementing the three-point shot and other exciting changes. George Mikan has also overcome a great deal of difficulty in his lifetime. Today, George is taking on a very imposing opponent, the disease of diabetes. Again, George Mikan is showing great courage and determination and is a true inspiration to us all.

The original Mr. Basketball continues to make us proud. Today we salute him for his public service, leadership, inspiration and courage. Mr. Speaker, George Mikan is a great American and a legendary basketball player. Please join me in honoring this outstanding Minnesotan for his many contributions to the game of basketball and his many accomplishments off the court as well. George Mikan is truly deserving of this special congressional recognition.

TRIBUTE TO LU PALMER, CELEBRATED RADIO AND PRINT JOURNALIST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. DAVIS) is recognized for 5 minutes.

Mr. DAVIS of Illinois. Mr. Speaker, I would just add my voice to the accolades being given to George Mikan. He did his college basketball playing and attended DePaul University, which is in my congressional district. I can tell my friends from Minnesota that all of Chicago and Illinois are indeed proud of the accomplishments of George Mikan and the people at DePaul University salivate every time they hear his name. I join your comments.

Mr. Speaker, I come to the floor this evening to pay tribute to one of our country's most celebrated and most effective print and radio journalists, Mr. Latrell ''Lu'' Palmer who is retiring and will be featured at a retirement celebration on April 14 at the Reverend Johnnie Coleman Complex, 119th and Loomis in Chicago.

Lu Palmer was born in 1922 in Newport News, Virginia, and attended its schools there. He then went on to Virginia University and earned a bachelor's degree in 1942. Later on, in 1947, he earned a master's degree from Syracuse University and later on went to Iowa State University in 1955 where he completed the course work for a doctorate's degree. Lu never wrote his dissertation so he ended up with what people called an ABCD, that is, all but the dissertation degree.

Lu Palmer then went on to have an outstanding career at the Chicago Daily Defender newspaper, the Chicago Courier, the Chicago American, the Chicago Daily News, and then established his own paper, the Black X Express, which he ran for several years. He also taught for 20 years, from 1970 to 1990 for the Association of American Colleges and Universities of the Midwest where he trained a large number of students to really understand urban life. Of course, Lu also worked at WBEE Radio and WVON Radio, was the editorial director for Congressman Ralph Metcalfe's communication vehicles and served as a public relations person for Michael Reese Hospital. He established the Black Business Network, Chicago Black United Communities, CBUC, which he operated for several years, and BIPO, the Black Independent Political Organization. He established Menhelco, a mental health program for boys who were suffering from mental retardation which continues to operate.

As much of a journalist as Lu was, he was really noted more for his community action, community involvement, and was called upon to speak in colleges and universities and banquets all over the country, as a matter of fact. He generally could not keep up. Plus he was very selective and did not just accept any speaking engagement. It had to be something that he called relevant and meaningful if he was to go. Lu was very actively involved in generating outrage when Mark Clark and Fred Hampton were killed by the Chicago police, and later on was probably the single most effective voice in the election of Harold Washington for mayor of the city of Chicago because Lu had a slogan and the slogan sort of said, ''We shall see in '83,'' meaning that that is when the election was going to take place. Lu was called the drumbeat of the African American community. Everybody listened to his radio and everybody pretty much waited for WVON to come on in the evenings from 10 to 12 so that they could listen to ''On Target'' and Lu Palmer.

Lu finally decided that it was time to hang them up. He is about 80 years old with diabetes and all the other things that would afflict one. But we would hope that he would put his memoirs together and that he would spend the rest of his life writing and putting in voice some renditions of that ''We shall see in '83.''

ON BEHALF OF THE 24 CREW MEMBERS HELD BY THE CHINESE GOVERNMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. LARSEN) is recognized for 5 minutes.

Mr. LARSEN of Washington. Mr. Speaker, today I rise on behalf of the 24 crew members held by the Chinese government. These brave men and women are based at the Naval Air Station Whidbey on Whidbey Island in Oak Harbor in my district in Washington State.

I first want to call on Beijing to return our honorable service men and women home. Four days is long enough. No, 4 days is too long. Our service members need to be released immediately.

Second, I want to honor the families of these crew members, both around the country and in the Whidbey Island community of Oak Harbor where the Naval Air Station is based. Their concern over the crew members is matched only by their strength and their bravery.

So not for my sake and not for the sake of anyone in this Chamber, Mr. Speaker, but for the sake of the mothers and the fathers, the sisters and the brothers, the sons and the daughters and the wives, it is time for the Chinese government to return the crew members to their families. It is time for the Chinese government to return the plane to the United States.

CONGRATULATING UNIVERSITY OF ARIZONA WILDCATS ON THEIR OUTSTANDING BASKETBALL SEASON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. SHADEGG) is recognized for 5 minutes.

Mr. SHADEGG. Mr. Speaker, I rise to commend and pay tribute to the University of Arizona Wildcats on their outstanding basketball season. This is truly a special team which should be lauded for their courage and for their effort in the face of very, very difficult circumstances, both on and off the court.

As a U of A alum, I closely followed their amazing story. The Wildcats' victory in entering the Final Four perfectly captured their great season. In a rough and tumble fight, in a contest that the Wall Street Journal described as ''equal parts rugby and hoops, with a little WWF thrown in,'' the Wildcats triumphed over a physically gifted University of Illinois squad. After the game, Illinois point guard Frank Williams said, ''We gave them our best punch and they survived it.''

Indeed, the University of Arizona Wildcat basketball team this year suffered a lot of punches, many thrown in their direction. Toughest of all, head coach Lute Olson suffered a blow on New Year's Day, losing his beloved wife Bobbi to ovarian cancer. Known affectionately by players and coaches and students at the U of A alike as Mrs. O, Bobbi Olson was a special person. In fact, many considered her to be the Wildcats' sixth player. Famous for her efforts on behalf of the team and the university, her efforts in recruiting and her famous apple pancakes, Bobbi Olson provided encouragement to the players and perspective to her husband. She will be dearly missed by the Olson family and by all fans of U of A basketball. I would like to express my personal condolences to Coach Olson.

Cancer is a terrible disease that affects thousands of families each year. In fact, Mr. Speaker, cancer has reared its ugly head in my family. It took the life of my mother, and my oldest sister is today thankfully a breast cancer survivor. I share Coach Olson's grief and greatly admire his strength to overcome this tragedy as he did this year and lead his team to such a wonderful and stunning season.

The individual members of the Wildcats basketball team also deserve mention. Arizona arrived in Minneapolis this past weekend with a star-studded line-up that boasted five preseason nominees for the John Wooden Award which goes to the sport's top individual collegian. Led by junior forwards Richard Jefferson and Michael Wright, center Loren Woods and a back court of Jason Gardner and Gilbert Arenas, the Cats overcame a disappointing 8–5 start to finish the season with a 20–2 run into the final game this past Monday night. Individually, these men are exceptional athletes but, more importantly, under the coaching of Lute Olson, when they played together, they formed an exceptional team. It was this unselfish teamwork that led this talented squad to the Final Four and indeed to the final game.

In an era where the best prospects see college basketball as a 1- or 2-year stopover on their way to the next level, the NBA, I would be remiss if I did not mention a rare exception, an athlete that recognizes that an education and a contribution to society are noble pursuits. The University of Arizona had such an individual in the person of Eugene Edgerson. As a freshman reserve, he played on Arizona's 1997 national championship team. However, he was also a member of this year's gifted Wildcat team because he took a break last year to complete the student teaching requirement in a kindergarten for his degree in elementary education. Then he stayed to take graduate courses when he finished his fourth year of eligibility. Eugene says he came to school both for the books and for the hoops and could not see leaving without getting the most out of both of them. Mr. Edgerson serves as a model on and off the court.

Unfortunately on Monday night, the Wildcats came up short in their quest for a second national championship. But even in defeat, they displayed the talent and grace of a championship team.

□ 1715

I want to congratulate Lute Olson. I want to congratulate all of the assistant coaches. I want to congratulate the team for its great season, for its unselfish play. You have made University of Arizona alumni like me, the student body of the U of A, the State of Arizona and fans of basketball, particularly college basketball, all across the country extremely proud. Thank you very much for a great year. I commend you all.

Our hearts and sympathies go with you, Lute. And to the team, bear down.

ARIZONA WILDCATS 2000 BASKETBALL ROSTER

No—Name, Position, Ht., Wt., Class, Hometown:

0—Gilbert Arenas, G, 6–3, 188, So, North Hollywood, CA.

2—Michael Wright, F, 6–7, 238, Jr, Chicago, IL.

3—Loren Woods, C, 7–1, 244, Sr, St. Louis, MO.

4—Luke Walton, F, 6–8, 233, So, San Diego, CA.

5—Travis Hanour, G, 6–6, 189, Fr, Laguna Beach, CA.

11—Jason Ranne, G, 6–4, 200, Fr, Tulsa, OK.

13—Andrew Zahn, F, 6–9, 254, Fr, Redondo Beach, CA.

14—Mike Schwertley, F, 6–5, 224, Fr, Phoenix, AZ.

15—John Ash, G, 5–11, 179, Sr, Tucson, AZ.

22—Jason Gardner, G, 5–10, 181, So, Indianapolis, IN.

23—Lamont Frazier, G, 6–3, 182, Sr, Los Angeles, CA.

24—Russell Harris, G, 5–11, 165, So, Mundelein, IL.

30—Justin Wessel, F, 6–8, 240, Sr, Cedar Rapids, IA.

33—Eugene Edgerson, F, 6–6, 237, Sr, New Orleans, LA.

35—Rich Anderson, F, 6–9, 213, Jr, Long Beach, CA.

44—Richard Jefferson, F, 6–7, 222, Jr, Phoneix, AZ.

Head Coach: Lute Olson.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate has passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 93. Concurrent resolution providing for a conditional adjournment of the House of Representatives and a conditional recess or adjournment of the Senate.

The message also announced that pursuant to Public Law 106–554, the Chair, on behalf of the President pro tempore, appoints the Senator from Tennessee (Mr. FRIST) to the Board of Trustees for the Center for Russian Leadership Development.

The message also announced that pursuant to Public Law 100–458, the Chair, on behalf of the Democratic Leader, reappoints William F. Winter, of Mississippi, to the Board of Trustees of the John C. Stennis Center for Public Service Training and Development, effective October 11, 2000.

The message also announced that pursuant to section 194(a) of title 14, United States Code, as amended by Public Law 101–595, and upon the recommendation of the Chairman of the Committee on Commerce, Science, and Transportation, the Chair, on behalf of the Vice President, appoints the following Senators to the Board of Visitors of the United States Coast Guard Academy—

the Senator from Arizona (Mr. MCCAIN), ex officio, as Chairman of the Committee on Commerce, Science, and Transportation; and

the Senator from Illinois (Mr. FITZGERALD), Committee on Commerce, Science, and Transportation.

The message also announced that pursuant to section 1295(b) of title 46, United States Code, as amended by Public Law 101–595, and upon the recommendation of the Chairman of the Committee on Commerce, Science, and Transportation, the Chair, on behalf of the Vice President, appoints the following Senators to the Board of Visitors of the United States Merchant Marine Academy—

the Senator from Arizona (Mr. MCCAIN), ex officio, as Chairman of the Committee on Commerce, Science, and Transportation; and

the Senator from Maine (Ms. SNOWE), Committee on Commerce, Science, and Transportation.

The message also announced that pursuant to Public Law 106–310, the Chair, on behalf of the Democratic Leader, announces the appointment of the following individuals to serve as members of the Commission on Indian and Native Alaskan Health Care:

Sara DeCoteau, of South Dakota.

Carole Anne Heart, of South Dakota.

The message also announced that pursuant to Public Law 106–533, the Chair, on behalf of the Democratic Leader, announces the appointment of the following Senators to serve as members of the Congressional Recognition for Excellence in Arts Education Awards Board:

The Senator from Hawaii (Mr. AKAKA).

The Senator from South Dakota (Mr. JOHNSON).

OVERALL TAX RELIEF

The SPEAKER pro tempore (Mr. GRAVES). Under the Speaker's announced policy of January 3, 2001, the gentleman from New York (Mr. GRUCCI) is recognized for 60 minutes as the designee of the majority leader.

Mr. GRUCCI. Mr. Speaker, I rise today to join my colleagues to express my tremendous support for providing America's working families with much needed, reasonable and equitable tax relief. This legislative body needed to act comprehensively and quickly to implement a reasonable and fair tax relief package that will benefit our middle-class families, small businesses, and farmers.

In New York's First Congressional District, where the cost of living is higher than in many regions of our Nation, the tax relief package we have approved will help jump start our local economy and put the money back where it belongs, in the pockets of the hard-working families.

We have helped our families through the Marriage Penalty and Family Tax Relief Act, and the Economic Growth and Tax Relief Act, and our small family businesses and farmers will benefit from our efforts here today to repeal the death tax. Through all of the components of this tax relief package, we are providing the reasonable and meaningful tax relief that our farmers, our small businesses, and our families have been calling for.

For far too long, hard-working married couples have been unfairly taxed by an average of $1,400 a year simply for the privilege of living inside the institution of marriage. In New York's First District alone, an estimated 56,134 families will receive significant tax relief under this measure. These 56,134 families could potentially put their savings towards their children's education, home improvements, a new computer, investments in their future, or a down payment on their first car.

According to the CBO, most marriage penalties occur when the higher-earning spouse makes between $20,000 to $75,000. The current Tax Code punishes working married couples by placing them in a higher tax bracket. The marriage penalty taxes the income of the second wage earner at a higher rate than if the wage earner were taxed as a single individual. This is just simply unfair.

The death tax currently taxes up to 60 percent of a family's farm or business, killing the small family-owned businesses and the stores that line the Main Streets of our downtown communities throughout this great land. These families who own farms on the east end of Long Island and the small businesses that compromise the very fabric of Long Island's economy have worked hard all of their lives. Working together with their families, they reached for the American dream, paying their taxes all the way along the way and made positive contributions to our society. They should not be penalized by being taxed again in death. That is just simply immoral, unfair, and wrong.

The Economic Growth and Tax Relief Act will give hard-working middle-class families more of their hard-earned money to be used better to offset rising costs for each and every family, costs like a college education for our young people, a mortgage payment, or they will support our small businesses and local economy. These middle-class working families earning $50,000 will see a $1,600 reduction in their taxes. That is a 50 percent cut. A family of four earning $35,000 would see a 100 percent cut. That is fair and that is reasonable.

Mr. Speaker, that is real tax relief for our middle-class working families. This package of reasonable tax relief incentives will leave more money in New York State. New York already contributes about $17 billion more in taxes to Washington than it gets back.

The Economic Growth and Tax Relief Act of 2001 alone will cut that deficit by $9.7 billion.

Now, as a former town supervisor, Mr. Speaker, I know firsthand how reasonable tax relief can help families and our local economy create thousands of new jobs and create millions of dollars of surplus. The hard-working middle-class families of the First District of New York and throughout our Nation should have their tax dollars back. We have accomplished this while we protected and locked away Social Security and Medicare funds and reduced our national debt at historic rates and set aside a trillion dollar contingency fund.

Last of all, Mr. Speaker, I would like to thank my colleagues on both sides of the aisle for working together on these critical initiatives, and I urge my colleagues in the Senate to take swift action.

MEDICARE PRESCRIPTION DRUG COVERAGE

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from Iowa (Mr. GANSKE) is recognized for the remainder of the majority leader's hour, approximately 30 minutes.

Ms. KAPTUR. Mr. Speaker, will the gentleman yield?

Mr. GANSKE. I yield to the gentlewoman from Ohio.

THE U.S. ECONOMY

Ms. KAPTUR. Mr. Speaker, I am very grateful to the gentleman from Iowa (Mr. GANSKE) for yielding to me to continue a Special Order that I began last night during this 5-minute segment on the condition of the U.S. economy. I am very grateful for these few minutes just to continue, as I will every evening where I have a chance.

Mr. Speaker, this relates to America's great need for a new declaration of economic independence and my great disappointment at the debate that occurred in the Congress here in the House last week concerning the tax measures that were before us and then again today, where if we count up the cumulative total of all of these measures we are talking about $3 trillion over the so-called 10-year window. This is an enormous amount of money for a country that currently has over $5.6 trillion worth of debt that we have to pay back, and every year we are paying more and more in the way of interest on that debt.

This year alone we are projected to spend well over $450 billion just on the debt alone.

In addition to that, the United States has the worst-ever current account trade deficit amounting to over $500 billion last year, that essentially requires that we sell our assets or borrow $1.5 billion a day net from foreign interests. Now, the trade deficit is basically about more goods coming into our country than our goods going out. This essentially results from flawed trade agreements that have enabled countries like the People's Republic of China, that is now holding 24 of our military personnel, to gain perhaps a $100 billion advantageous this year from their net exports to this country versus our ability to export into that economy.

So what is wrong with the Bush tax and budget plan? First, the President's tax and budget plan does not pay down the overall debt. In fact, his budget is based on what I would call wildly optimistic, 10-year projections that, in fact, cause the debt to spiral, particularly when over $3 trillion is being returned in that period to a country that still owes $5.6 trillion.

Now, it is interesting that the 10-year window is used for projections when, in fact, the President is only elected for 4 years and we here in Congress only budget one year at a time. So we cannot use a 10-year window. If experience is a good teacher, as it surely should be, we know that projections in the past have been off by vast magnitudes, sometimes as much as 75 percent in one year.

Now major revenue hemorrhages are going to occur after the year 2005 because Social Security and medical care bills will rise as more people from the baby boom generation begin retiring. The administration budget risks ratcheting up what is already a spiraling debt burden, particularly after 2005. So his proposals threaten long-term economic growth and the long-term solvency of both Social Security and Medicare.

Moreover, the administration's budget is inherently unfair, because nearly half of the tax benefits go to people earning over $900,000 a year, only the top 1 percent of earners in this country. It is no question in my mind that the President's powerful allies are setting their own table for slashing corporate income tax rates from 35 percent to 25 percent, as most corporations, many of them, do not pay taxes even now; none at all. I will be reading into the RECORD, when we return later in the month, the names of many of the corporations in our country that pay absolutely no taxes at all.

Many of these same interests want to cut the corporate capital gains tax, repeal the corporate alternative minimum tax and other technical changes like faster depreciation for faster write-offs. These corporate titans, the ones that are pushing us to make these changes here, saw their pay increases at over 535 percent over the last 10 years. Imagine that. Imagine your salary quintupling over the last 10 years. And now they want that to double again in the next decade.

Now, is there any doubt whatsoever that the measures that have been before us are truly lopsided? The shower of tax cuts for the wealthy and corporations will dramatically increase the tax burden on millions of people in the middle class. All one has to do is look at the fine print of the bill. It does nothing for low-wage workers and literally leaves out over 12½ million families with children.

The President claims that the typical family of four would get a $1,600 tax cut. However, more than 85 percent of taxpayers will get tax cuts less than that amount and many will get nothing at all. One-third of families with children in our country will get nothing from the entire package. The basic tax grab for those at the top end, along with lowering rates for only some, does absolutely nothing to lift those in our society burdened by low wages and high taxes, largely payroll taxes.

We know that the regressive payroll tax has to be adjusted, but the plan that came before us did absolutely nothing about that.

So while the rich get richer, thanks to the Bush plan, the impact of his tax schemes will cut funding for the environment in half over the next 10 years; spending on veterans will be slashed; Justice programs such as the COPS program and in-schools and community policing programs all will be cut; agriculture will be cut; transportation will be cut by nearly one-fifth with our roads jammed and our air control towers not being the most modern in the world.

We are going to see cuts in Medicare and cuts in Social Security if that program is adopted by the other body.

Not only is the administration doing nothing to ease the California energy crisis, their budget cuts certain critical Department of Energy programs as much as 30 percent.

So America really does need a new declaration of economic independence because rising interest payments on the Federal debt are at a post-World War II record high, as American family savings rates move downward.

□ 1730

U.S. trade deficits are at record levels, with China now being the largest holder of U.S. dollar reserves, $100 billion more this year alone. The number of Americans who believe Social Security will be there for them when they retire is down, at the same time as we see so many families losing their 401(k) assets because of what has been happening in the stock market. The relative portion of taxes being paid by the middle class and poor Americans is going up. At the same time, the relative portion of taxes paid by American and foreign corporations making record profits in the United States as they ship jobs to the Third World is going down. Enforcement of antitrust laws is down.

So, Mr. Speaker, let me just say that the administration and its powerful allies will be back for more bites of our Republic's apple. I really do think that we need a responsible budget. We expect the President of our country to lead us to a higher calling. The future of our country and its stability should be our primary goal, not the gratification of powerful special interests that was so evident here during last week and, in fact, today.

Mr. Speaker, I want to thank the gentleman from Iowa, who has been such a voice for attention to the problems of agricultural America, for yielding to me.

Mr. GANSKE. Mr. Speaker, how much time is remaining on my time?

The SPEAKER pro tempore (Mr. GRAVES). The gentleman from Iowa (Mr. GANSKE) has 46 minutes.

Mr. GANSKE. Mr. Speaker, prescription drugs have been a health blessing for Americans. Millions of lives have been saved, prolonged, and enhanced by prescription drugs. But those same drugs have also been an economic burden for American consumers and taxpayers. The problem of rising drug costs is too important to ignore any longer, and I will tell my colleagues, this is not just a problem for the elderly.

Mr. Speaker, this is a photo of William Newton. He is 74 years old. He is from Altoona, Iowa. He is a constituent in my district. His savings vanished when his late wife Wanita, whose picture he is holding, needed prescription drugs that cost as much as $600 per month. Mr. Newton said, ''She had to have them. There was no choice.'' And then, in speaking about the whole problem of high prescription drug costs, he said, ''It's a very serious situation, and it isn't getting any better, because drugs keep going up and up.''

How about Mr. James Weinman of Indianola, Iowa, and his wife Maxine. When they make their annual trip to Texas, the two take a side trip as well. They cross the border to Mexico, and they load up on prescription drugs, which are not covered under their Medigap policies. Their prescription drugs cost less than half as much in Mexico as they do in Iowa.

That problem is not localized to Iowa; it is everywhere. The problem that Dot Lamb, an 86-year-old woman from Portland, Maine, who has hypertension, asthma, arthritis and osteoporosis, was paying for her prescription drugs is all too common. She takes 5 prescription drugs that cost over $200 total each month, and that is over 20 percent of her monthly income. Medicare and her supplemental insurance do not cover prescription drugs.

Mr. Speaker, about a year ago I received this letter from a computer-savvy senior citizen who volunteers at a hospital I worked in before coming to Congress:

''Dear Congressman GANSKE: After completing a University of Iowa study on Celebrex, 200 milligrams for arthritis, I got a prescription from my M.D. and picked it up at the hospital pharmacy. My cost was $2.43 per pill with a volunteer discount.''

He goes on, ''Later on the Internet I found the following: I can order these drugs through a Canadian pharmacy if I use a doctor certified in Canada, or my doctor can order it on my behalf through his office for 96 cents per pill, plus shipping. I can order these drugs through Pharma World in Geneva, Switzerland, after paying either of two American doctors $70 for a phone consultation, at a price of $1.05 per pill, plus handling and shipping. I can send $15 to a Texan and get a phone number at a Mexican pharmacy, which will sell it without a prescription at a price of 52 cents per pill.''

Well, this constituent closes his letter to me by saying, ''I urge you, Dr. GANSKE, to pursue the reform of medical costs and stop the outlandish plundering by pharmaceutical companies.''

Well, Mr. Speaker, I want to make it very clear. I am in favor of prescription drugs being more affordable not just for senior citizens, but for all Americans. Let us look at the facts of the problem and then talk about a commonsense solution.

There is no question that the prices for drugs are rising rapidly. A recent report found that the prices of the 50 top-selling drugs for seniors rose much faster than inflation. Thirty-three of those 50 drugs that are most frequently used by seniors rose in price at least 1½ times as fast as inflation; half of the drugs rose at least twice as fast as inflation; 16 drugs rose at at least 3 times inflation; and 20 percent of the top 50 drugs that are used by senior citizens rose at least 4 times the rate of inflation.

The prices of some drugs are rising even faster. Furosemide, a generic diuretic, rose 50 percent in 1999. Klor-con 10, a brand-name drug, rose 43.8 percent. That is not just a 1-year phenomenon; 39 of those 50 drugs have been on the market for at least 6 years. The prices of three-fourths of that group rose at least 1.5 times inflation; over half rose at twice inflation; more than 25 percent increased at 3 times inflation; and 6 drugs at over 5 times inflation. Lorazepam rose at 27 times inflation, and furosemide, a diuretic, rose at 14 times inflation.

Prilosec is one of the two top-selling drugs prescribed for senior citizens. The annual cost for this 20-milligram gastrointestinal drug, unless one has some type of drug discount, is $1,455 a year. For a widow at 150 percent of poverty, so that is an income of $12,500 a year, the annual cost of that one drug, Prilosec alone, would consume more than 1 in $9 of her total budget.

My friend from Des Moines, the Iowa Lutheran Hospital volunteer senior citizen, as do the Weinmans from Indianola with their shopping trips to Mexico for prescription drugs, know that drug prices are much higher in the United States than they are in other countries.

A story in USA Today last year, towards the end of last year, compared

U.S. drug prices to prices in Canada, Great Britain and Australia for the 10 best-selling drugs, and it verifies that drug prices are higher here in the United States than overseas. For example, Prilosec is two to two-and-a-half times as expensive in the United States. Prozac was two to two-and-three-quarters times as expensive. Lipitor was 50 to 92 percent more expensive. Prevacid was as much as four times more expensive. Only one drug, Epogen, was cheaper in the U.S. than in other countries.

Look at some of the comparison of prices between the United States and Europe. Here we have Premarin, 280 .6-milligram tablets, in the U.S., $14.98; in Europe, $4.25. How about Coumadin; that is the blood thinner. For 25 10-milligram pills in the United States, you would have to pay $30.25, but in Europe it would cost $2.85. How about Claritin? Claritin is one of the most commonly used antihistamines, very popular drug in the United States. Twenty 10-milligram tablets in the United States will cost $44; in Europe it will cost $8.75. That just gives us an example of some of the disparity between the drug costs in the United States and in other countries.

Mr. Speaker, this has been a problem for the past decade. Two GAO studies in 1992 and 1994 showed the same results. Comparing prices for 121 drugs sold in the United States and Canada, prices for 98 of the drugs were higher in the U.S. Comparing 77 drugs in the U.S. to the United Kingdom, 86 percent of the drugs were priced higher in the United States, and 3 out of 5 were more than twice as high.

Now, the drug companies claim that drug prices are so high because of research and development costs. I want to be clear. I think there is a lot of need for research. For example, around the world, we are seeing an explosion in antibiotic-resistant bacteria like tuberculosis, and we are going to need research and development for new drugs to take care of these antibiotic-resistant bacterias, as well as other types of drugs.

The industry has spent a lot of money. They spent an estimated $26 billion in research and development last year. That is up from $15 billion 5 years earlier. According to PhRMA, an industry trade group, only 1 in 5,000 compounds tested in the laboratory becomes a new drug, and it takes quite a while to get a new drug, anywhere from 12 to 15 years to bring it to market. It may cost as much as $500 million, although some suggest that that is a somewhat higher number than is actual cost, because some of those costs are actually borne by U.S. taxpayers who are involved with doing some of the basic research.

But, I would say this: Even with the cost and the risk of drug development, the industry is doing pretty good. Data from PhRMA that I saw presented in Chicago last year showed actual little increase in the last couple of years in research and development, especially in comparison to significant increases in advertising and marketing expenses. Since the 1997 FDA reform bill, advertising by drug companies has gotten so frequent that Healthline reported that consumers watch on average nine prescription drug commercials every day. Just the other night I was watching the NCAA championship game. Anyone who was watching that would know how many drug commercials were on during that game.

Take 1998 figures for the big drug companies. Marketing, advertising, sales and administrative costs exceed research and development costs. In 1999, four of the five companies with the highest revenue spent at least twice as much on marketing, advertising, and administration as they spent on research and development. Only 1 of the top 10 drug companies spent more on research and development than on marketing, advertising and administration. The real increase has been in advertising expenses.

For the manufacturers of the top 50 drugs sold to seniors, profit margins are more than triple the profit rates of other Fortune 500 companies. The drug manufacturers have a profit rate of 18 percent, compared to approximately 5 percent for other Fortune 500 companies. Furthermore, as recently cited in The New York Times, of the 14 most medically significant drugs developed in the past 25 years, 11 had significant government-financed research. For example, Taxol is a drug developed from government research which earns its manufacturer, Bristol-Myers-Squib, millions of dollars each year.

As I said at the start of this Special Order, I think the high cost of drugs is a problem for all Americans, not just the elderly, but many nonseniors are in employer plans, and they get a prescription drug discount. In addition, there is no doubt that the older one is, the more likely one is to need prescription drugs.

□ 1745

So let us look at what type of drug coverage is available to senior citizens today.

Mr. Speaker, Medicare pays for drugs that are part of treatment when the senior citizen is in the hospital or in a skilled nursing facility. Medicare pays doctors for drugs that cannot be self-administered by patients; i.e., drugs that require intramuscular or intravenous administration.

Medicare also pays for a few other outpatient drugs, such as drugs to prevent rejection of organ transplants, medicine to prevent anemia in dialysis patients, and anti-cancer drugs that are taken by mouth.

The program also covers pneumonia, hepatitis, influenza vaccines. The beneficiary is responsible for 20 percent of the co-insurance of those drugs.

About 90 percent of Medicare beneficiaries have some form of private or public coverage to supplement Medicare, but many with supplemental coverage have either limited or no protection for prescription drug costs, those drugs that we buy in a pharmacy with a prescription from our doctor.

Since the early 1980s, Medicare beneficiaries in some part of this country have been able to enroll in HMOs which provide prescription drug benefits. Medicare pays the HMOs a monthly dollar amount for each enrollee. Some areas, like Iowa, my home State, have had such low payment rates that no HMOs with drug coverage are available. This is typically a rural problem, but some metro areas have unfairly low reimbursements, as well.

Employers may offer their retirees health benefits that include prescription drugs, but fewer employees are doing that. From 1993 to 1997, prescription drug coverage of Medicare-eligible retirees dropped from 63 percent to 48 percent.

Beneficiaries with MediGap insurance typically have coverage for Medicare's deductibles and co-insurance, but only three of the 10 standard plans offer drug coverage. All three impose a $250 deductible.

Plans H and I cover 50 percent of the charges, up to a maximum benefit of $1,250. Plan J covers 50 percent of the charges, up to a maximum benefit of $3,000. Premiums for those plans are significantly higher than the other seven MediGap plans because of the high cost of the drug benefit.

So let me repeat, there are three MediGap plans that currently do offer prescription drug benefits, but the premiums are significantly higher for those plans.

This chart shows the difference in annual costs to a 65-year-old woman for a MediGap policy with or without a drug benefit. For a MediGap policy of moderate coverage, she pays $1,320 for a plan that does not have a drug benefit, but she pays $1,917 for a policy with a drug benefit. If she wants more extensive coverage, she can buy a MediGap policy without drug coverage for $1,524, but it would cost her $3,252 for insurance with drug coverage.

So why is there such a price gap between the plans that offer drug coverage and those that do not? Well, it is because the drug benefit is voluntary. One has a choice whether to sign up for that, and usually only those people who expect to actually use a significant quantity of prescription drugs will sign up for a MediGap policy that has drug coverage. But because only those with high costs choose that option, the premiums have to be higher because there is a higher average expenditure.

So what is the lesson we can learn from the current plan? The lesson is, adverse selection tends to drive up the per capita cost of coverage, unless the Federal Treasury simply subsidizes lower premiums.

The very low-income elderly and disabled Medicare beneficiaries are also eligible for payments of their deductibles and co-insurance by their

State's Medicaid program. These are called dual eligibles. They are eligible for Medicare, and they are also eligible for Medicaid.

The most important service paid for entirely by Medicaid is frequently the prescription drug plans offered by all States under their Medicaid plans. There are several groups of Medicare beneficiaries who have more limited Medicaid protection. Qualified Medicare Beneficiaries, QMBs, otherwise known as QMBS here in Washington parlance, have incomes below the poverty line, $8,240 for a single and $11,060 for a couple, and assets below $4,000 for a single person and $6,000 for a couple. Medicaid pays their deductibles and their premiums.

Specifically Low-Income Medicare Beneficiaries, known as SLIMBs, have incomes up to 20 percent of the poverty line, and Medicaid pays their Medicare Part B premium.

Qualifying Individuals, Q1s, have income between 120 percent and 130 percent of poverty. Medicaid pays only their Part B premium, but not deductibles. Qualifying Individuals, Q2s, have incomes from 135 percent to 175 percent of poverty, and Medicaid pays part of their Part B premium.

But the QMBs and the SLIMBs are not entitled to Medicaid's prescription drug benefit unless they are also eligible for full Medicaid coverage under their State's Medicaid program. Q1s and 2s are never entitled to Medicaid drug coverage.

A 1999 HCFA report, that is Health Care Financing Administration, the agency that runs Medicare, showed that despite a variety of potential sources of coverage for prescription drug costs, beneficiaries still pay a significant proportion of drug costs out-of-pocket, and about one-third of Medicare beneficiaries have no coverage at all.

It is also important to look at the distribution of Medicare enrollees by total annual prescription drug expenditure. This information will determine, based on the cost of the benefit, how many Medicare beneficiaries would consider the premium cost of a ''voluntary'' drug benefit insurance policy to be ''worth it.''

This chart from the Medicare Payment Advisory Commission, known as MEDPAC, report to Congress, shows that in 1999, 14 percent of Medicare recipients had no drug expenditures, 36 percent had from $100 to $500, 19 percent had from $500 to $999. We had 12 percent with expenses from $1,000 to $1,499; 14 percent from $1,500 to just about $3,000, and 6 percent above $3,000.

I want Members to note something here. Some of these figures are a little different today. These are about 2 years old now, but they will not be that much changed.

If we add up senior citizens who have no drug expenditures, that is 14 percent, plus those that have less than $500, that is 36 percent, so we now have 50 percent of Medicare beneficiaries, plus another 19 percent that have less than $1,000, and we have a pretty high percentage of senior citizens that have less than, say, $1,000 of expenses.

As we look at plans to change Medicare to better cover the cost of prescription drugs, we are going to have to face some difficult choices for which there is not public consensus, and for that matter, there has not been consensus among policy-makers. There are many questions to answer. Here are a few.

First, should coverage be extended to the entire Medicare population, or should we target the elderly widow who is not so poor that she is in Medicaid, but is having to choose between paying her home heating bill and her prescription drugs?

Should the benefit be comprehensive or catastrophic?

Should the drug benefit be defined?

What is the right level of beneficiary cost-sharing?

Should the subsidies be given to the beneficiaries, or directly to the insurers?

How much money can the Federal Treasury devote to this subsidy?

Can we really predict the future cost of this benefit?

I think we need to go back and look at what Congress has done in the past on this, so let us look at the fact that the desire to add a prescription drug benefit is not a new idea. It was actually discussed back in 1965, when Medicare was started. It has been discussed many times since then.

The reason why adding a prescription drug benefit is such a hot issue now is because there has been an explosion in the new drugs available; huge increases in the demand for those new drugs, fueled in large part by all the advertising that we see on TV; and there has been a significant increase in the cost of these drugs in just the past few years.

Many of these drugs are life-preserving, as those that my dad takes. They are important. That is why this issue is on the table for this Congress, and I think we need to do something about this.

Before I discuss previous Democratic and Republican proposals, I think it is instructive to look at what happened the last time that Congress tried to do something about prescription drugs in Medicare. That is because the outcome of the reform bill that became law in 1988 has seared itself into the minds of the policymakers who were in Congress then and are committee chairs now.

The Medicare Catastrophic Coverage Act of 1988 would have phased in catastrophic prescription drug coverage as part of a larger package of benefit improvements. Under the Medicare Catastrophic Coverage Act, catastrophic prescription drug coverage would have been available in 1991 for all outpatient drugs, subject to a $600 deductible and 50 percent co-insurance.

The benefit was to be financed through a mandatory combination of an increase in the Part B premium and a portion of the new supplemental premium which was to be imposed on higher-income enrollees.

It is also important to note that the Congressional Budget Office estimated the cost back then at $5.7 billion. Only 6 months after the bill became law the cost estimates had more than doubled, because both the average number of prescriptions used by the enrollees and the average price had risen more than estimated.

The plan passed the House by a margin of 328 to 72, passed the Senate, and President Ronald Reagan enthusiastically signed that law into place as the largest expansion of Medicare in history.

The only problem was that once seniors learned that their premiums were going up, they did not like the bill very much. They even started demonstrating against it. We had scenes of the Gray Panthers hurtling themselves onto the car of the chairman of the Committee on Ways and Means, Dan Rostenkowski. Those scenes were then broadcast across the Nation on the nightly news programs.

Talk to some of the Congressmen who were here in 1988 and 1989. The switchboards here at the Capitol were flooded with phone calls from angry senior citizens. So what happened? The very next year, the House voted 360 to 66 to repeal the Medicare Catastrophic Coverage Act of 1988, and President Bush, then President, signed the largest cut in Medicare benefits in history, 1 year after President Reagan had signed the largest increase in Medicare benefits in history.

That experience has left scars on the political process ever since, and it is evident in both the Republican and the Democratic proposals that we debated here on the floor last year.

□ 1800

What was the lesson? Last year former Ways and Means Chairman Don Rostenkowski wrote an article for the Wall Street Journal that I think should still be required reading for every Member of this Congress. His most important point was this, the 1988 plan was financed by a premium increase for all Medicare beneficiaries. Rosty said in his op-ed piece in the Wall Street Journal: ''We adopted a principle universally accepted in the private insurance industry. People pay premiums today for benefits they may receive tomorrow.''

Apparently, the voters did not agree with those principles. And by the way, the title of his op-ed piece was ''Seniors Won't Swallow Medicare Drug Benefits.'' He does not think that seniors have changed much since 1988.

Last year we voted on two comprehensive Medicare prescription drug benefit bills whose drafters apparently agreed with him, because the key point the spokesmen for each of those bills made was that their plans were voluntary.

There were shortcomings in both of those bills. The insurance model plan that passed was estimated to cost seniors $35 to $40 a month in 2003 with possible projected increases of 15 percent a year. Premiums could vary among the plans. There would be no defined benefit package; the insurers could offer alternatives of ''equivalent value.'' There would be a $250 deductible and the plan would then pay half of the next $2,100 in drug costs. After that, patients were on their own until they had out-of-pocket expenses reaching $6,000 a year, when the government would pay the rest.

This insurance plan would pay subsidies to insurance companies for people with high drug costs. If subscribers did not have a choice of at least two private plans, then a ''government'' plan would have been available. A new bureaucracy called the Medical Benefits Administration would oversee these private drug insurance plans.

Under the insurance plan, the government would pay for all the premium and nearly all of the beneficiary's share of covered drug costs with people with incomes under 135 percent. For people with incomes from 135 percent to 150 percent, the premium support would have been phased out. It was assumed that drug insurers would use generic drugs to control costs.

The costs of that plan was estimated to be $37.5 billion over 5 years and about $150 billion over 10 years, but the Congressional Budget Office had a pretty hard time predicting the costs because there was not a standard benefit definition.

The premiums under the Democrat bill, the second plan that was debated, were estimated to cost those seniors who signed up. Remember, it was a voluntary plan like the first plan, $24 a month in 2003 rising to $51 a month in 2010, but the bill's sponsors later added a $35 billion expense for a catastrophic component, and that would have increased the premiums more.

Under their plan, Medicare would pay half of the costs of each prescription, and there would be no deductible. The maximum Federal payment would be a $1,000 for $2,000 worth of drugs in 2003, and it would rise to $2,500 for $5,000 worth of drugs in 2009.

And under the Democratic plan debated last year, the government would assume the financial risk for prescription drug insurance; but it would hire private companies to administer benefits and negotiate discounts, similar to what HMOs do today. They are called pharmaceutical benefit managers. It would have aided the poor similarly to the Republican bill that passed the House.

But here is the crucial point on both of those bills. In order to cushion the costs of the sicker with premiums from the healthier, both plans calculated that their premiums based on an 80 percent participation rate for all of those in Medicare. They both thought that 80 percent of seniors would sign up. The attacks on both plans began immediately. The supporters of the Democratic bill basically said that the supporters of the insurance plan were putting seniors in HMOs; that HMOs provide terrible care; and that it was not fair to seniors.

Supporters of the Republican bill said that the Democratic bill was ''a one-size-fits all plan, that it was too restrictive and puts politicians and Washington bureaucrats in control.''

I could criticize both plans in some depth, but I do not have that much time remaining. Suffice it to say that the details of each of those plans was very important on how they would work or, for that matter, if they would work.

I believe that if you let plans design all sorts of benefit packages, as did the Republican bill, it would be very difficult for seniors to be able to compare plans from one to another.

I also think that plans could tailor benefits to try to get the healthier into their plans and leave the sicker seniors out. And it was interesting, because representatives of the insurance industry seemed to share that opinion in a hearing before my committee. In my opinion, a defined benefit package would have been better.

I have concerns about the financial incentives that the bill that passed the House would have offered to insurers to offer and enter markets where there were not any drug plans available. Would those incentives encourage insurers to hold out for more money?

I have doubts that private insurance industry would have ever offered drug-only plans. In testimony before my committee, Chip Kahn, the president of the Health Insurance Association of America, testified that drug-only plans simply would not work.

In testimony before the Committee on Commerce on June 13 of last year, Mr. Kahn said ''private drug-only coverage would have to clear insurmountable financial, regulatory and administrative hurdles, simply to get to market. Assuming that it did, the pressures of ever-increasing drug costs, the predictability of drug expenses, and the likelihood that the people most likely to purchase this coverage will be the people anticipating the highest drug claims would make drug-only coverage virtually impossible for insurers to offer a plan to seniors at an affordable premium.''

And Mr. Kahn predicted that few, if any, insurers would have offered the product.

I could similarly criticize several particulars of the Democrat bill that was offered as a substitute, but I think there was a fundamental flaw to both bills, and that is what is called adverse-risk selection.

Under those bills, let us just look at the Democratic bill that was offered last year. If the Democratic bill had comparable costs for a stop-loss provision for the catastrophic expenses like the Republican bill did, the premium costs would have been comparable in both bills; and under those bills, a person who signed up for drug insurance would pay about $40 a month or roughly about $500 per year.

After the first $250 out-of-pocket drug costs, that is the deductible, the enrollee would have needed to have twice $500 in drug costs or $1,000 in order to be getting a benefit that was worth more than the costs of the premiums for that year.

If you put it another way, the enrollee basically in both of the plans that we debated last year would have had to have somewhere between $1,000 to $1,200 in drug costs a year to make it worthwhile for them to sign up for the bill; otherwise, they would have been paying more for their insurance premium than they were getting a benefit for.

Who would sign up for those plans? Would it be the people who had Medicare who do not have any drug costs now? Would it be the people in Medicare who today have less than $500 a year? I do not think so. Why do I not think so? Because we already have a drug benefit bill and Medigap policies. A senior citizen today already can choose a Medigap policy that has a drug benefit, but only the people who have high prescription drug costs sign up for those bills.

Mr. Speaker, I just think that it is highly doubtful that anywhere near 80 percent of seniors would have signed up for either of those plans; and if only those with high drug costs signed up for those plans, then we know what would happen by looking at the current Medigap policies. Only 7.4 percent of beneficiaries enrolled in standard Medigap plans were in the drug coverage plans, H, I, and J.

One way to avoid adverse-risk selection would be to offer the drug benefit for one time only. Another way to do it would be to require all to be in it.

You could try to set up some ways to estimate the sickness of enrollees. We have tried that in the past. Those are called risk-adjustment programs systems. They are very hard to design and implement. It remains to be seen whether our risk-adjustment systems already on the books are going to work.

You could have a similar benefit package, and I think that would help. And as I said, one sure way would be to mandate enrollment, but that was the approach that legislators here took in 1988, and we saw what happened to that law.

To say that mandatory enrollment has little appeal to policymakers today, I would say is an understatement. That gets me to what can we do to fix this, this problem. I introduced a bill today, it is called the Drug Availability and Health Access Improvement Act of 2001. We have bipartisan cosponsors all across the ideologic spectrum on this bill.

It does three things. Here is a modest three-step proposal for helping seniors and others with their drug costs.

Number one, we could allow those qualified Medicare beneficiaries, those select low-income Medicare beneficiaries and qualifying individuals, one and two, up to 175 percent of poverty to qualify for the State Medicaid drug programs. States could continue to use their current administrative structures. This could be implemented almost immediately. About a third of Medicare beneficiaries would be eligible, especially those most in need.

The drug benefit would encourage them to sign up, and a key feature of that is that the program is already in the States. State programs are entitled to the best price that the manufacturer offers to any purchaser in the United States.

Judging from estimates from the Bipartisan Medicare Commission, that expansion of benefits would probably cost somewhere between $60 billion and $80 billion over 10 years.

Second, we could fix the funding formula, what is called the Annual Adjusted Per Capita Cost, that puts rural States and certain low-reimbursement urban areas at such a disadvantage in attracting Medicare+ plans, because those Medicare+ plans offer a prescription drug benefit. My plan would increase the floor to $600 per beneficiary per month. That would be an enticement for the Medicare+ Choice plans to actually go to States like Iowa. That way senior citizens and rural States would have the same opportunities to sign up for an HMO that offers a prescription drug benefit that those in New York, Miami, Los Angeles now can get.

Third, in response to my constituents who want to purchase their drugs in Canada, Mexico or Europe, we should stop the Food and Drug Administration from intimidating seniors and others with threats of confiscation of their purchases when they try to buy their drugs from overseas.

At the end of last year, we attempted to solve that problem; however, there were some loopholes in the bill that we passed last year, and we need to clarify current law to allow importers to use FDA-approved labeling without charge. Current law explicitly allows labeling to be used for ''testing purposes'' only and does not prevent drug companies from charging very, very high fees for using the label.

FDA approval for labeling provides safety and efficacy. We can allow importers to obtain the best price available on the market. There are a number of things that we need to do to make sure that our retailers in this country are able to purchase from wholesalers overseas at lower rates so that they can pass on the savings to everyone.

□ 1815

Mr. Speaker, I think that would go a long ways to reducing prescription drug prices in this country vis-a-vis where it is, significantly lower in the foreign countries around the world that I talked about earlier in this talk.

The bill that I introduced today meets those goals and ensures that we provide prescription drug coverage to those who need it most. It gives them access to health insurance and the drugs that they cannot now afford. I hope that we end up with a comprehensive prescription drug bill, something that covers all senior citizens. But when I look at that, I think we ought to do that in the context of a comprehensive Medicare reform bill, something that will help make sure that Medicare is financially sound for when the baby boomers come into retirement.

But I also recognize that today we have some senior citizens who are just barely getting by. They are not so poor that they are in Medicaid, but they are just above that, and they are having to make choices today whether to pay their heating bills or food bills or rent, or whether to fill their prescriptions. These individuals are already getting a discount on their Medigap premiums, the qualified Medicare beneficiaries, the select low-income Medicare beneficiaries, the qualifying individuals one and two.

We could implement that benefit for them immediately. We could give them a Medicaid drug card. They could go to any pharmacy in their State, get their prescription drugs filled at no cost, and we would pay for that from the Federal side. We would not ask for a State match on that, so the Governors and State legislators do not need to worry that we will be adding additional costs to their budgets.

I think we can do that for a reasonable amount of money, and it would not require reinventing the wheel. Every State has this program now. It would be easy to administer. All of those State Medicaid programs are overseen to help prevent fraud and abuse. I think this is the commonsense answer if, Mr. Speaker, later this year or next year we find that we are not moving to a comprehensive Medicare reform bill and we are not moving to a bill that covers a prescription drug benefit for everyone.

I just think that it would be a shame if this Congress does not address high prescription drug costs for the seniors that need it most and try to do something to lower the high cost for everyone. And that is where the reimportation issue comes into play.

So, Mr. Speaker, we have a solution. I encourage my colleagues to look at the bill that I introduced today, the Drug Availability and Health Care Access Improvement Act of 2001. It does not mean that you cannot be for a more comprehensive bill. It simply means at the end of the day, if we are not getting that more comprehensive bill, then we should not leave town before the next election without at least providing help to those who need it the most.

DOMESTIC AND FOREIGN POLICY ISSUES

The SPEAKER pro tempore (Mr. PENCE). Under the Speaker's announced policy of January 3, 2001, the gentleman from California (Mr. SHERMAN) is recognized for 60 minutes as the designee of the minority leader.

Mr. SHERMAN. Mr. Speaker, I want to thank the House for giving me the last hour before our adjournment for the Easter and Passover recess. I want to cover four issues, and hopefully I can do so in less than the 1 hour allotted: first, taxation and the energy crisis in California; and then two foreign policy issues, our airmen being held in China, and our sanctions policy and our use of economic tools in order to achieve our national security purposes.

Mr. Speaker, 2 months ago the President of the United States stood where you sit now and asked us to pass his tax program for a particular waitress. He described this waitress as having an income of $25,000, two kids, no spouse, and said that is the reason that we need his program. And he was compassionate in that description; unfortunately, not compassionate to that waitress or the other waitresses that work with her. You see, under the President's tax program, that waitress with two kids does get a little bit of tax relief, perhaps 2 percent of her income, perhaps a cheap 25-cent tip left under the table or under the plate. But he carefully selected the one waitress in the entire restaurant that gets anything at all.

You see, under the President's plan as passed by this House, if that waitress had had an income of $23,000, she gets not 1 penny, not even a 1-cent insult tip. If the waitress, the exact waitress he described with two kids and $25,000, spends anything for child care, then she gets no additional benefit at all, not 1 penny from the President's program. And if that waitress has an income of $23,000 or $25,000 or $26,000 and has 3 kids instead of 2 kids, not 1 penny.

So we were told to pass a tax program to help hard-working waitresses supporting kids, and virtually every waitress in the restaurant goes home without even a 1-cent tip.

This House has added, this President's rhetoric has added an insult on top of that injury. There is injury to those waitresses from a tax program that this House adopted that the President asked us to adopt, because we are going to see higher interest rates, and every waitress in that restaurant is going to be having a harder time buying an automobile, or if she is very fortunate and can almost afford a house, perhaps will not be able to do so. A worse economy and fewer patrons of that restaurant, all of this will injure those waitresses that get not one penny of tax relief from the plan.

Added to the injury is the insult. The President has again and again before audiences across the country said that his plan provides tax relief to every

taxpayer, and his overwhelming implication is if you do not get anything from his plan, it is because you are not a taxpayer. If he does not give you anything, it is because you do not deserve anything.

I ask the waitresses of this country to look at their paycheck stubs and see if there is a deduction for FICA. Then at that point, realize either your employer is lying to you when they take the money out of our paycheck for FICA, or the President is lying when he says that the waitresses of this country do not pay taxes because they do pay taxes to the Federal Government, and they get in almost every case not one penny of tax relief, but just a slap across the face with the insult that they are not taxpayers and do not deserve any relief from the Republican plan.

Mr. Speaker, never was this illustrated quite so clearly as today when we took up another piece of the President's tax plan, and that was a complete abolition of the estate tax. Mr. Speaker, most people of this country pay income tax, but the working poor generally pay only FICA tax. And there are some who are very wealthy who, because of the way that they have structured their investments, pay no income tax, but they pay estate tax. Three major taxes for the Federal Government: one, a burden on the poor; another a burden on most of us; and the third affects only those at the top 2 percent.

The President has decided if you do not pay income tax, but you pay estate tax, you deserve tax relief because you are in the richest 2 percent, and he wants to help you. But if you pay no income tax, and you pay only FICA tax, you get not one penny, as I have said several times.

So what is this estate tax package? It is a package passed today, which, if we made it immediately effective, would cost $663 billion over a 10-year period. With all of the rhetoric on this floor, you would think that we would have made it effective immediately. Speaker after speaker talked about how this tax is terrible, and yet the bill we adopted does almost nothing to reduce the tax on those with assets of 2- or 3- or $5 million, almost nothing for the next several years.

Why is that? Because, Mr. Speaker, in order to sneak this tax cut in, it is passed today, but does not become effective really for over 10 years. So a tax cut which is bad economic policy for today, which is such bad economic policy that no one would stand here in the well and say it ought to be effective today for today's economy, becomes effective in the year 2011 economy at a time when it is going to do the economy even more harm.

You see, Mr. Speaker, right now we have a surplus. It is not as big as some would say. It is certainly not permanent, but we have a surplus. Eleven years from now we do not know whether we have a surplus or not. But we do know that 11 years from now is about the beginning of the baby-boomer retirement that will put whole new strains on the Federal budget as a huge number of people sign up for Social Security. So a policy that is so fiscally irresponsible that no one will speak in favor of its immediate adoption will become locked in 11 years from now when we are more vulnerable to fiscal irresponsibility.

Why this tax cut in the estate tax? Well, the estate tax affects only the wealthiest 2 percent of Americans. If you care about the other 98 percent, then we should have voted that down so that we could pay off the national debt, resume economic growth at a reasonable rate, and reduce interest rates without causing inflation.

Now, one thing I want to clarify in how I discuss an estate of 4- or $5 million is that we are talking about the net estate. So if you have a $10 million farm, assets of land and equipment worth $10 million, you in most cases do not have a $4 million estate because most farmers in that situation owe at least $6 million to the bank. You look only at the estate net of, of course, funeral and health costs of the deceased, but also net of all the liabilities. So a lot of people out there think, ''Oh, I have got assets of $10 million, I am going to be subject of the estate tax,'' have got to first subtract the liabilities. So only the wealthiest 2 percent of families in this country will pay any estate tax at all.

But we on the Democratic side put forward an alternative, an alternative that would turn to 1.8 out of that 2 percent and say, no tax at all; immediate tax relief. And you continue to enjoy the income tax reductions caused by a ''step-up in basis'' so that the heirs to assets are able to value those assets on the date that they acquired them or the date of the decedent's death, so higher depreciation deductions are available to someone who inherits an apartment building or inherits farm equipment. Lower capital gains tax is paid by those who inherit stocks and bonds, or those who sell off part of the land that they inherit.

□ 1830

So a Democratic proposal that provided immediate relief for every family with $4 million in net assets and provided all taxpayers permanently with that reduction in their income tax from a step-up in basis, that was all voted down. Why? Because instead the Republican side demanded that we embrace something that would exempt the as of yet unborn Bill Gates, Jr. from any tax at all on what we would hope would be billions of dollars of inheritance. In order to provide that those with assets of $100 million, $200 million, $300 million will pay not a penny in tax, the interests of those with $2 million and $3 million and $4 million and $5 million were sacrificed by a Republican Party that talks the talk of small business but walks the walk of huge fortunes.

The Democratic alternative provided immediate tax relief, immediate complete insulation on taxes for the first $4 million that a family owns, racheting that up to $5 million over the next 10 years. The Republican plan provided virtually no tax relief to a family with 2 or 3 or $4 million in assets if a death occurs next year or the year after that or the year after that. They have decided to ignore those who die soon or die in the next few years and their heirs. They have decided to ignore those who need the reduced income taxes of that step-up in basis because their running business is worth 2 or $3 million and need the higher tax deductions, income tax deductions, all to embrace the needs of those with assets of over $10 million, over $20 million. What is amazing is that they were able to sell some of the small business groups on it. They have talked the talk of tax relief for those with a few million dollars. They have walked the walk of the huge fortunes.

We are well on our way to a series of tax bills that we cannot afford, that will probably add up to $3 trillion in tax cuts over the next 10 years, and much of the cost of those bills is going to be hidden by the fact that many of their provisions do not even become effective until more than 10 years from now. What we ought to do if we are fiscally responsible is simply pass those tax provisions that become effective this year or next year.

If the Republican side were to come down to this floor and say, here is what we want the tax law to look like for 2001, here is what we want it to look like for 2002, pass that, and then wait a year and see where the economy is, they could probably get almost total support in the House. It is their insistence on locking this country in to an economic plan that it cannot afford, an economic plan that guarantees slow growth or recession, that virtually guarantees higher interest rates. It is that insistence that is causing dissension both here in the House and fortunately greater dissension in the Senate. Keep in mind that under the tax plan the Republicans have put before us, 79 percent of the package does not even become effective until more than 5 years from now. Instead of providing the tax relief we can afford and the stimulus that some say we need, it simply locks in the greatest cuts for the wealthiest people many, many years from now.

Mr. Speaker, I would now like to focus on what some regard as a regional problem, perhaps just the problem of one State, but it is actually the problem of the entire country, and, that is, the electrical energy crisis and related natural gas crisis in my home State of California. First, let me dispel the idea that it was all the fault of the extreme environmentalists, tree huggers in California, who would not allow any plants to be built and now we are reaping what we have sown. Nothing could be more clearly disproven in so many different ways.

First, no Federal agency was issuing a loud warning 2 or 3 years ago. No experts from the private sector, no experts from the utility sector were saying that we were headed for a particular problem. There are geniuses on Wall Street that could have quintupled and requintupled and made tenfold and twentyfold on their money by selling short the stock of California utilities.

Yet none of them saw this coming. Now, we are told that no plants were sited in California. Keep in mind, many have been approved in the last 2 years. But during the 8 years in which Republican Pete Wilson was governor of our State, not a single plant was sited.

But let us say that you come here with an extreme prejudice against California and you think both Republicans and Democrats in California have somehow brought this upon our State. Electricity can be transported for a few hundred miles. If you want to serve the California market, you cannot do so from a plant in Pennsylvania. But you can do so from a plant in Nevada or Arizona.

If anybody foresaw an extreme shortage of electricity and even a modest increase in the price of electricity in California and the other western States, they did not have to build a plant in California. They could have built one in Arizona, Nevada, Oregon or Washington. So you would have to believe that the environmental extremists are in control not only of California but of Nevada and Arizona, Oregon and Washington, Nevada and Arizona being two of the most pro-business States, two of the most Republican-voting States in this country.

The fact is no one wanted to build a plant in California, and no one wanted to build a plant in those other western States I mentioned. No one foresaw this problem until quite recently, with the exception of perhaps a few academics whose voice was not loud enough for anyone to hear. So it is obvious that this is not a problem we brought upon ourselves. We embraced the free market. The free market operated not only in California but in adjoining States as well, and the free market let us down. It did not cause those plants to be sited in California or the other adjoining States.

So California did not cause this problem. But we are told it is California's problem and it is up to California to solve it. Let us analyze the problem and let us see whether California should be called upon to, quote, ''solve its own problem,'' or whether instead the Federal Government has handcuffed California so that it cannot solve this problem without a change of Federal policy.

Let us look first at natural gas. Now, the price of natural gas in North America has more than doubled in the last couple of years. That is supply and demand, and that is a relatively competitive market with lots of producers and lots of consumers. Still, the doubling of that commodity and more in the last couple of years has put a strain on consumers and utilities around this country. But imagine, if you will, that on top of that doubling, there was a tenfold increase in the cost of moving natural gas from Texas and New Mexico where it is produced into California. The cost went from less than 50 cents to over $5. The cost of natural gas in California is double what it is in the rest of the country.

Why did that happen? Why that doubling? Because FERC partially deregulated, actually deregulated enough for smart lawyers to find a way to totally deregulate the price of moving natural gas from Texas to California. And now natural gas costs more to move from Texas to California than it costs to buy it in Texas. The transportation cost exceeds the commodity cost. Why? FERC.

Mr. Speaker, it has been said that California has been shafted. Mr. Speaker, California has been FERCed. That is F-E-R-C-e-d, hopefully not to be confused with any term of similar sound.

The next focus has got to be on the cost of generating electricity. In the spot market, the wholesale price has gone up ten and twentyfold. We are told that this is somehow California's fault. I have disproved that. But the question is, can California solve this problem? As it happens, Federal law prohibits California from imposing even temporary cost-based controls on the cost of electricity at the wholesale level. So here we are with plants in our own State capable of generating most or all of the electricity we need in most or all of the months of the year and California has been told, ''It's your problem. Solve the problem. Oh, by the way here is a Federal law that says you can't solve the problem by regulating the wholesale price of electricity,'' which by the way is about the only way to solve it in the short term.

Take off the Federal handcuffs or stop laughing at California and saying it is our problem and up to us to solve it. California could save 1 or 2 percent of its electricity needs simply by adjusting the way we use Daylight Savings Time. But the Federal Government will not even let us adjust our own clocks. The handcuffs are on. The Federal Government puts the handcuffs on California and then says, ''It's your problem. Go solve it. Just don't try to do anything that might be effective because it will be prohibited by Federal law.''

Federal law must reregulate the price of moving natural gas from New Mexico to California. And if the Federal Government does not want to do it, then perhaps that right could be granted to the State of California. I realize the pipelines that I am talking about do not run through the State, but a Federal grant of that power to California would probably be constitutional. The Federal Government does not want to regulate the wholesale price of electricity generated by plants in California. Fine. Let California do it. Let Oregon do it for its plants. Let Washington do it for plants in the State of Washington. Take off the handcuffs. Better yet, lend a hand. FERC should regulate the price of pipeline usage and the cost at the wholesale level of electricity.

I do want to comment a little bit about the shortage of electricity in California in one respect and, that is, the term ''closed for maintenance.'' I thought closed for maintenance meant, ''We got to fix the plant. We got guys working on it.'' I have come to learn closed for maintenance means closed to maintain an incredibly high price for each kilowatt.

Last summer, without any shortages that came to anyone's notice, or with the notice of very many, California demanded and needed and got from its existing plants 45,000 megawatts of electricity. This last winter and spring when we needed 33,000 megawatts, the plants are closed for maintenance. The electricity cannot be generated. What changed was not the plants. The plants were adequate to give us 45,000 megawatts of electricity last summer. What changed was the law, the incentives. The incentives went to closed for maintenance, the lights went out, the prices went up.

Mr. Speaker, I hesitate to phrase it this way, but this administration is waging war on California. Maybe it is because we did not vote for them. Maybe it is because they see our governor as a challenger in 2004. I think it is a war being waged for the same reason the ancients waged war and that was to get war booty. In this case incredibly high profits for certain companies based in Texas, both the pipeline companies that own the natural gas pipelines and the companies that own the generation facilities that sell that electricity to the utilities in California.

The question, though, is not why is the Bush administration waging war on California but why does this Congress allow for that war to be waged? All Americans are going to suffer from this war. If we do not regulate natural gas pipelines, the wholesale value of electricity, and allow California to adjust its clocks, then it will not just be my district or my State that suffers. This entire economy is wired together. The markets drop in Tokyo and all of a sudden the markets drop on Wall Street and people's 401(k)s are down. If you think you live outside of California and you are not tied to our State, imagine how much more tied you are to California than you are to Tokyo.

□ 1845

If California is going down, it is not going to be good for any part of this country.

I want to add a footnote or two here. The first footnote is that many of the bad decisions the Federal Government made were made in the waning days of the last administration, but I am confident that an administration that

cared about California would have reversed those decisions and this administration should reverse those decisions right now.

Back in October, it was not obvious to many that California was going to be suffering just a few months later, but when that suffering began it is time to adopt revised Federal policies.

The second myth I want to dispel is the idea put forward by those who worship, do not just understand and usually practice but worship, the free market system. The free market system works rather well for most things, but if one had to pick something it was not going to work for, well think of a good that cannot be stored, cannot be transported but a few hundred miles, has no substitutes, is a necessity, to put it in economic terms, has a price elasticity of roughly point one, which is to say it is a necessity where you need the amount you need and if they sell it for less you are not going to use more, and if they charge you more it is incredibly difficult to use less. It is a necessity. It cannot be stored.

It is not subject to the regular market forces. If there was ever a good that did not fit the absolute worshipping of a free market, this is it.

We are told that the free market must be allowed to run unfettered and that California's problem is that we deregulated the wholesale price of electricity but we maintained regulation on the retail price. So the amount SoCal Edison has to pay the generator companies, most of them based in Texas coincidentally, the plants may be in California but they are owned by some particular business interests, that the amount that SoCal Edison has to pay for the electricity has been deregulated but the amount that they sell it to the consumer for has been regulated and that that is the problem; that if only we deregulated both sides of the equation everything would be fine.

I ask people to look at San Diego. In San Diego County, we did exactly what the worshippers of the free market, and I include myself among those who usually want to go with free enterprise and free markets, but those who are so blinded by the benefits of free markets that they cannot see the exceptions, we are told that if you only deregulated the wholesale and the retail that everything would be fine.

What has happened in San Diego when we did just what they suggest, the retail consumer price of electricity went up by four-fold. So you are used to paying a $100 electric bill and you get one for $400, the price goes four-fold in a couple of months. I ask my colleagues, what would happen in their districts if everyone who is used to getting a $100 electric bill got a $400 electric bill like that? How many people would be sitting in their office and how many of them would say, well, thank God, we did what those who are so extreme that they worship the free markets have suggested, thank God we went for the most pristine possible deregulation?

How many of them would be thrilled to get that $400 electric bill?

AMERICANS HELD HOSTAGE, DAY FOUR

Mr. SHERMAN. Mr. Speaker, I would now like to shift to a discussion of foreign policy, starting with the Americans being held on the Chinese island of Hainan; America held hostage, day four.

Let us go through a few of the facts that have been uncontroverted. Our plane was in international air space. The Chinese have admitted that. Our plane was flying slow, clumsy, large, Turboprop, not looking for any trouble; not trying to approach any Chinese planes. Chinese fighter planes that are fast and maneuverable deliberately came as close as possible to the American plane, and then there was a collision.

I ask us to think about this in our own lives. If one car is just proceeding about its business and another one, a hot rod, tries to squirm as close as possible, some teenager trying to get just as close as possible to an old driver and then there is a collision, who do we blame?

This was not the first time, Mr. Speaker. Again and again and again, through formal and informal channels, the United States has, for a period of many months, told the Chinese side that their repeated unsafe and reckless flying, their interception of our planes and coming not just as close as safe but closer than safe, buzzing those planes, reckless disregard for the safety of both aircraft, gross negligence, would some day lead to an accident; and then it did.

I do not know why the Chinese instructed their pilots to engage in this game, or whether they were so instructed at all. Was it teenage hormones? Was it an attempt to intimidate an American plane over international waters? Or was it some effort to try to cause a collision but one that would kill Americans instead of Chinese airmen?

I do not know, but there is no moral reason for this intentionally dangerous flying, even after repeat warnings. Yet, the Chinese are asking us for an apology.

Mr. Speaker, my people have a word for that. It is called chutzpah. Chutzpah is when a young man convicted of brutally killing both of his parents goes before the judge and asks for mercy on the basis that he is an orphan, and the request for this apology fits in that same category of chutzpah.

International law is clear. That plane cannot be touched. News reports are clear. The Chinese side is all over that plane looking for every secret, dismantling equipment, in violation of international law.

International law is clear. Our people are to be back here. They retain their sovereign immunity when they land in desperation and emergency, which I might add in this case was caused by the incredible gross negligence, repeated gross negligence, of Chinese fliers. Yet, we are being asked for an apology. Reckless flying, ignoring international law as to our plane when it is on the ground, holding our Naval airmen hostage, and they are asking us for an apology.

Perhaps the only thing that is more outrageous than all that is that, as I speak here, imports from China are being unloaded at American harbors in part of the most lopsided pro-Chinese trade relationship that any economist could ever imagine. They are allowed access to our markets where they sell over $80 billion of goods and we are lucky if we can sell $12 billion of goods into China.

What ought to happen is that we ought to make it clear, we ought to today stop the importation of Chinese goods until our Naval airmen are back on their ships or in American hands. Oh, but that would mean perhaps a few hours or a day of delay in bringing in tennis shoes or plastic toys, and the commercial interests that flex their muscle so strongly when we dealt with providing China with permanent Most Favored Nation status will be back here, or are already back here flexing their muscles, and their message is clear. Do not interrupt a single package, a single container of tennis shoes, no matter how lopsided the trade arrangement is, no matter how absolutely dependent China is, and they are utterly dependent on the American market, roughly half, very roughly half their exports go to the United States. We are the only country that lets them run a huge trade surplus with us and we are the only country willing to run a huge trade deficit with them.

Yet in spite of the fact that we are strong and they are weak, they are unified and we are looking only at the commercial interests of a few companies.

So, Mr. Speaker, what I fear is that corporate interests, and just a few corporate interests, engaged in this importation frenzy will demand that we apologize, demand that we pay the Chinese money. They will demand that we be weak because sniveling preserves profits.

I hope that this administration and this Congress reject that kind of thinking.

Mr. Speaker, I would like to go into my fourth topic but I see it is getting late. So I will come back to this floor to deliver a speech dealing with the fourth topic I wanted to cover, and that was our use of economic sanctions, economic carrots and sticks, in order to achieve our international objectives.

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. MCNULTY) to revise and

extend their remarks and include extraneous material:)

Mr. BLUMENAUER, for 5 minutes, today.

Mr. BROWN of Ohio, for 5 minutes, today.

Mr. DAVIS of Illinois, for 5 minutes, today.

Mr. PALLONE, for 5 minutes, today.

Mr. SKELTON, for 5 minutes, today.

Ms. NORTON, for 5 minutes, today.

Mr. GREEN of Texas, for 5 minutes, today.

Mr. SCHIFF, for 5 minutes, today.

Mr. LANGEVIN, for 5 minutes, today.

Ms. KAPTUR, for 5 minutes, today.

Mr. BAIRD, for 5 minutes, today.

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

Mr. SHADEGG, for 5 minutes, today.

Mr. JONES of North Carolina, for 5 minutes, today.

Mr. EHRLICH, for 5 minutes, today.

Mr. WOLF, for 5 minutes, today.

Mr. PETERSON of Pennsylvania, for 5 minutes, today.

Mrs. WILSON, for 5 minutes, today.

Mr. HYDE, for 5 minutes, today.

Mr. CUNNINGHAM, for 5 minutes, today.

Mr. SAM JOHNSON of Texas, for 5 minutes, today.

Mr. ROHRABACHER, for 5 minutes, today.

Mr. SHIMKUS, for 5 minutes, today.

Mr. GOSS, for 5 minutes, today.

Mrs. BIGGERT, for 5 minutes, today.

Mr. WELDON of Florida, for 5 minutes, today.

Mr. HAYWORTH, for 5 minutes, today.

Mrs. JO ANN DAVIS of Virginia, for 5 minutes, today.

Mr. RAMSTAD, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. LARSEN of Washington, for 5 minutes, today.

ENROLLED BILLS SIGNED

Mr. Trandahl, Clerk of the House, reported and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 132. An act to designate the facility of the United States Postal Service located at 620 Jacaranda Street in Lanai City, Hawaii, as the ''Goro Hokama Post Office Building''.

H.R. 395. An act to designate the facility of the United States Postal Service located at 2305 Minton Road in West Melbourne, Florida, as the ''Ronald W Reagan Post Office of West Melbourne, Florida''.

ADJOURNMENT

Mr. SHERMAN. Mr. Speaker, pursuant to House Concurrent Resolution 93 of the 107th Congress, I move that the House do now adjourn.

The motion was agreed to.

The SPEAKER pro tempore (Mr. PENCE). Pursuant to House Concurrent Resolution 93 of the 107th Congress, the House stands adjourned until 2 p.m. on Tuesday, April 24, 2001.

Thereupon (at 6 o'clock and 58 minutes p.m.), pursuant to House Concurrent Resolution 93, the House adjourned until Tuesday, April 24, 2001, at 2 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

1453. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Ethametsulfuron Methyl; Pesticide Tolerance [OPP–301111; FRL–6773–7] (RIN: 2070–AB78) received March 29, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1454. A letter from the Acting Assistant Secretary, Department of Defense, transmitting a letter requesting that Section 361 of the National Defense Authorization Act for Fiscal Year 1997 which authorized the Services to expend appropriated funds for recruiting functions be continued beyond the September 30, 2001, deadline as a permanent authorization, pursuant to Public Law 104—201, section 361(a) (110 Stat. 2491); to the Committee on Armed Services.

1455. A letter from the Assistant to the Board, Board of Governors of the Federal Reserve System, transmitting the Board's final rule—Electronic Fund Transfers [Regulation E; Docket No. R–1041] received March 30, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

1456. A letter from the General Counsel, Federal Emergency Management Agency, transmitting the Agency's final rule—List of Communities Eligible for the Sale of Flood Insurance [Docket No. FEMA–7750] received April 2, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

1457. A letter from the Acting Chair, National Credit Union Administration, transmitting an Annual Report for FY 2000 entitled, ''Entering the 21st Century''; to the Committee on Financial Services.

1458. A letter from the Executive Secretary, Health Care Financing Administration, Department of Health and Human Services, transmitting the Department's final rule—Medicaid Program; Use of Restraint and Seclusion in Residential Treatment Facilities Providing Inpatient Psychiatric Services to Individuals Under Age 21: Delay of Effective Date [HCFA–2065–F] (RIN: 0938–AJ96) received March 28, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1459. A letter from the Executive Secretary, Department of Health and Human Services, transmitting the Department's final rule—Protection of Human Research Subjects: Delay of Effective Date (RIN: 0925–AA14) received March 28, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1460. A letter from the Executive Secretary, Department of Health and Human Services, transmitting the Department's final rule—Opioid Drugs in Maintenance and Detoxification Treatment of Opiate Addiction; Repeal of Current Regulations and Issuance of New Regulations: Delay of Effective Date and Resultant Amendments to the Final Rule (RIN: 0910–AA52) received March 28, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1461. A letter from the Director, Regulations Policy and Management Staff, Department of Health and Human Services, transmitting the Department's final rule—Food Additives Permitted for Direct Addition to Food for Human Consumption; Food Starch-Modified by Amylolytic Enzymes [Docket No. 99F–2082] received April 4, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1462. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Polychlorinated Biphenyls (PCB's); Return of PCB Waste from U.S. Territories Outside the Customs Territory of the United States [OPPTS–66020A; FRL–6764–9] received March 29, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1463. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; State of Missouri [MO 115–1115a; FRL–6961–9] received March 29, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1464. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Clean Air Act Approval of Operating Permits Program in Washington [FRL–6952–3] received March 28, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1465. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Air Quality Implementation Plans; Pennsylvania; Conversion of the Conditional Approval of the 15 Percent Plan and 1990 VOC Emission Inventory for the Pittsburgh-Beaver Valley Ozone Nonattainment Area to a Full Approval [PA 120–4110a; FRL–6961–4] received March 28, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1466. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; State of Missouri [MO 114–1114a; FRL–6964–1] received April 3, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1467. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Amendements to Vehicle Inspection Maintenance Program Requirements Incorporating the Onboard Diagnostic Check [FRL–6962–9] (RIN: 2060–AJ03) received April 3, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1468. A letter from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Key West, Florida) [MM Docket No. 00–70; RM–9843] received March 28, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1469. A letter from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.622(b), Table of Allotments, Digital Television Broadcast Stations (Reno, Nevada) [MM Docket No. 00–234 ; RM–9999] received March 28, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1470. A letter from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.622(b), Table of Allotments, Digital Television Broadcast Stations

(Weston, West Virginia) [MM Docket No. 00–242; RM–9998] received March 28, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1471. A letter from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.622(b), Table of Allotments, Digital Television Broadcast Stations (Orono, Maine) [MM Docket No. 00–243; RM–9981] received March 26, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1472. A letter from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.622(b), Table of Allotments, Digital Television Broadcast Stations (La Crosse, Wisconsin) [MM Docket No. 00–236; RM–10000] received March 26, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1473. A letter from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.622(b), Table of Allotments, Digital Television Broadcast Stations (Lead, South Dakota) [MM Docket No. 00–235; RM–9992] received March 26, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1474. A letter from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.622(b), Table of Allotments, Digital Television Broadcast Stations (New Orleans, Louisiana) [MM Docket No. 00–188; RM–9969] received March 26, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1475. A letter from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Station (Lowry City, Missouri) [MM Docket No. 00–145; RM–9845] received March 28, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1476. A letter from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Bowling Green, Bardstown, Lebanon Junction, and Auburn, Kentucky and Byrdstown, Tennessee) [MM Docket No. 99–326; RM–9755; RM–9910] received March 28, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1477. A letter from the Assistant to the Chief, International Bureau/Telecommunications Division, Federal Communications Commission, transmitting the Commission's final rule—2000 Biennial Regulatory Review [IB Docket No. 00–202] Policy and Rules Concerning the International, Interexchange Marketplace—received March 28, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1478. A letter from the Acting Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to Russia [Transmittal No. DTC 046–01], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

1479. A letter from the Acting Assistant Secretary for Legislative Affairs, Department of State, transmitting the Department's report on nuclear nonproliferation in South Asia for the period of October 1, 2000, through March 31, 2000, pursuant to 22 U.S.C. 2376(c); to the Committee on International Relations.

1480. A letter from the Acting Secretary for Legislative Affairs, Department of State, transmitting a report on chemical and biological weapons proliferation control efforts for the period of February 1, 2000 to January 31, 2001, pursuant to 22 U.S.C. 5606; to the Committee on International Relations.

1481. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting Copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on International Relations.

1482. A letter from the Senior Vice President, CFO, Potomac Electric Power Company, transmitting a copy of the Balance Sheet of Potomac Electric Power Company as of December 31, 2000, pursuant to D.C. Code section 43—513; to the Committee on Government Reform.

1483. A letter from the Comptroller General, General Accounting Office, transmitting List of all reports issued or released by the GAO in February 2001, pursuant to 31 U.S.C. 719(h); to the Committee on Government Reform.

1484. A letter from the President, African Development Foundation, transmitting a Report on African Development Foundation's Financial Statements, Internal Controls, and Compliance For Fiscal Year 2000; to the Committee on Government Reform.

1485. A letter from the Executive Director, Committee For Purchase From People Who Are Blind Or Severely Disabled, transmitting the Commttee's final rule—Additions to and Deletions from the Procurement List—received April 3, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

1486. A letter from the Acting Chief Executive Officer, Corporation For National Service, transmitting the Corporation's Performance Report for FY 2000; to the Committee on Government Reform.

1487. A letter from the Secretary, Department of the Treasury, transmitting the Financial Report of the United States Government for Fiscal Year 2000; to the Committee on Government Reform.

1488. A letter from the Secretary, Department of the Treasury, transmitting a Program Performance Report for FY 2000; to the Committee on Government Reform.

1489. A letter from the Secretary, Department of Commerce, transmitting the Department's Accountability Report for FY 2000; to the Committee on Government Reform.

1490. A letter from the Secretary, Department of Housing and Urban Development, transmitting a copy of the Government National Mortgage Association management report for the fiscal year ended September 30, 2000, pursuant to 31 U.S.C. 9106; to the Committee on Government Reform.

1491. A letter from the Secretary, Department of State, transmitting an Annual Program Performance Report of FY 2000; to the Committee on Government Reform.

1492. A letter from the Secretary, Department of Veterans' Affairs, transmitting an Annual Performance Report for FY 2000; to the Committee on Government Reform.

1493. A letter from the Secretary, Department of Veterans' Affairs, transmitting the Department's Annual Accountability Report for FY 2000; to the Committee on Government Reform.

1494. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting the Bank's Annual Performance Report for FY 2000, pursuant to 12 U.S.C. 635g(a); to the Committee on Government Reform.

1495. A letter from the Director, Federal Emergency Management Agency, transmitting the Agency's Annual Performance Report for FY 2000; to the Committee on Government Reform.

1496. A letter from the Acting Congressional Liaison, Federal Labor Relations Authority, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

1497. A letter from the Director and Inspector General, National Science Foundation, transmitting the Foundation's Accountability Report for FY 2000; to the Committee on Government Reform.

1498. A letter from the Director, National Science Foundation, transmitting the Foundation's Performance Report for FY 2000; to the Committee on Government Reform.

1499. A letter from the Chairman, Nuclear Regulatory Commission, transmitting a Performance and Accountability Report of FY 2000 and our Inspector General FY2000 Performance Report, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Reform.

1500. A letter from the Chairman, Occupational Safety and Health Review Commission, transmitting a report on the Fiscal Year 2001 Revised Final Annual Performance Plan; to the Committee on Government Reform.

1501. A letter from the Chairman, Occupational Safety And Health Review Commission, transmitting the Commission's Annual Program Performance Report for Fiscal Year 2000; to the Committee on Government Reform.

1502. A letter from the Director, Office of Federal Housing Enterprise Oversight, transmitting an Program Performance Report for FY 2000; to the Committee on Government Reform.

1503. A letter from the Deputy Director, Peace Corps, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

1504. A letter from the Acting Director, Trade and Development Agency, transmitting the Agency's Performance Report for FY 2000; to the Committee on Government Reform.

1505. A letter from the Acting Executive Secretary, U.S. Agency For International Development, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

1506. A letter from the Chairman, United States International Trade Commission, transmitting a Program Performance Report for FY 2000; to the Committee on Government Reform.

1507. A letter from the Assistant to the Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior, transmitting the Department's final rule—Federal Aid in Sports Fish Restoration Program; Participation by the District of Columbia and U.S. Insular Territories and Commonwealths (RIN: 1018–AD83) received April 3, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

1508. A letter from the Acting Director, Office of Sustainable Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Pacific Cod by Vessels 60 Feet Length Overall and Using Pot Gear in the Bering Sea and Aleutian Islands Management Area [Docket No. 010112013–1013–01; I.D. 032301B] received April 2, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

1509. A letter from the Acting Director, Office of Sustainable Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Pacific Cod by Catcher Processor Vessels Using Hook-and-line Gear in the Bering Sea and Aleutian Islands [Docket No. 010112013–1013–01; I.D. 032301A] received April 2, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

1510. A letter from the Acting Director, Office of Sustainable Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Pollock in Statistical Area 610 of the Gulf of Alaska [Docket No. 010112013–1013–01; I.D. 032001D] received March 28, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

1511. A letter from the Acting Director, Office of Sustainable Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Pollock in the West Yakutat District in the Gulf of Alaska [Docket No. 000211039–0039–01; I.D. 032001B] received March 28, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

1512. A letter from the Congressional Medal of Honor Society of the United States of America, transmitting the annual financial report of the Society for calendar year 2000, pursuant to 36 U.S.C. 1101(19) and 1103; to the Committee on the Judiciary.

1513. A letter from the Director, Policy Directives and Instructions Branch, INS, Department of Justice, transmitting the Department's final rule—Adding Colombia to the List of Countries Whose Citizens or Nationals Are Ineligible for Transit Without Visa (TWOV) Privileges to the United States Under the TWOV Program [INS No. 2129–AG16] (RIN: 1115–01) received April 4, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

1514. A letter from the Acting Assistant Secretary for Legislative Affairs, Department of State, transmitting the Department's final rule—VISAS: Nonimmigrant Visa Fees—Fee Reduction for Border Crossing Cards for Mexicans Under Age 15 (RIN: 1400–AA97) received March 28, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

1515. A letter from the Acting Secretary of the Army, Department of Defense, transmitting a report on the navigation improvements for the Port Jersey Channel, Bayonne, New Jersey; to the Committee on Transportation and Infrastructure.

1516. A letter from the Acting Secretary of the Army, Department of Defense, transmitting a report on the Success Dam, Tule River Basin, California; to the Committee on Transportation and Infrastructure.

1517. A letter from the Administrator, FAA, Department of Transportation, transmitting a report on Alternative Power Sources For Flight Data Recorders And Cockpit Voice Recorders; to the Committee on Transportation and Infrastructure.

1518. A letter from the Senior Trial Attorney, Office of the Secretary, Department of Transportation, transmitting the Department's final rule—Extension of Computer Reservations Systems (CRS) Regulations [Docket No. OST–2001–9054] (RIN: 2105–AD00) received April 2, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1519. A letter from the Administrator, Environmental Protection Agency, transmitting a report on the Great Lakes Ecosystem in the years 1998–2000; to the Committee on Transportation and Infrastructure.

1520. A letter from the Chairman, Federal Maritime Commission, transmitting the 39th Annual Report of the Federal Maritime Commission for fiscal year 2000, pursuant to 46 U.S.C. app. 1118; to the Committee on Transportation and Infrastructure.

1521. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Announcement and Report Concerning Advance Pricing Agreements—received March 29, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

1522. A letter from the Director, Defense Security Cooperation Agency, transmitting a report authorizing the transfer of up to $100M in defense articles and services to the Government of Bosnia-Herzegovina, pursuant to Public Law 104—107, section 540(c) (110 Stat. 736); jointly to the Committees on International Relations and Appropriations.

1523. A letter from the Chairman, Federal Prison Industries, Inc., Department of Justice, transmitting the 2000 Annual Report of the Federal Prison Industries, Inc. (FPI), pursuant to 18 U.S.C. 4127; jointly to the Committees on the Judiciary and Government Reform.

1524. A letter from the Executive Secretary, Health Care Financing Administration, Department of Health and Human Services, transmitting the Department's final rule—Medicare and Medicaid Programs; Hospital Conditions of Participation: Anesthesia Services: Delay of Effective Date [HCFA–3049–F2] (RIN: 0938–AK08) received March 28, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); jointly to the Committees on Ways and Means and Energy and Commerce.

1525. A letter from the Chairman of the Board and the Acting Executive Director, Pension Benefit Guaranty Corporation, transmitting the Corporation's 2000 Annual Report, pursuant to 29 U.S.C. 1308; jointly to the Committees on Education and the Workforce, Ways and Means, and Government Reform.

1526. A letter from the Chairman, Federal Election Commission, transmitting the Comission's FY 2002 Budget Request, pursuant to 2 U.S.C. 437d(d)(1); jointly to the Committees on House Administration, Appropriations, and Government Reform.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HYDE: Committee on International Relations. House Concurrent Resolution 73. Resolution expressing the sense of Congress that the 2008 Olympic Games should not be held in Beijing unless the Government of the People's Republic of China releases all political prisoners, ratifies the International Covenant on Civil and Political Rights, and observes internationally recognized human rights; with amendments (Rept. 107–40). Referred to the House Calendar.

Mr. TAUZIN: Committee on Energy and Commerce. H.R. 718. A bill to protect individuals, families, and Internet service providers from unsolicited and unwanted electronic mail; with an amendment (Rept. 107–41 Pt. 1). Ordered to be printed.

TIME LIMITATION OF REFERRED BILL

Pursuant to clause 2 of rule XII the following action was taken by the Speaker.

H.R. 718. Referral to the Committee on the Judiciary extended for a period ending not later than June 5, 2001.

H.R. 981. Referral to the Committee on the Budget extended for a period ending not later than September 5, 2001.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions of the following titles were introduced and severally referred, as follows:

By Mr. GANSKE (for himself, Mrs. EMERSON, Mr. FRANK, Mr. WYNN, Mr. HORN, Mr. GILCHREST, Mr. TRAFICANT, Mr. LEACH, Mr. JONES of North Carolina, Mr. JOHNSON of Illinois, Mr. SANDERS, Mr. GUTKNECHT, and Mr. TERRY):

H.R. 1387. A bill to amend the Social Security Act to improve access to prescription drugs for low-income Medicare beneficiaries, the Internal Revenue Code and other Acts to improve access to health care coverage for seniors, the self-employed, and children, and to amend the Federal Food, Drug, and Cosmetic Act to improve meaningful access to reasonably priced prescription drugs; to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. GANSKE:

H.R. 1388. A bill to authorize funding for the National 4–H Program Centennial Initiative; to the Committee on Agriculture.

By Mr. DEFAZIO:

H.R. 1389. A bill to amend the Head Start Act to authorize the appropriation of $11,500,000,000 for fiscal year 2002; to the Committee on Education and the Workforce.

H.R. 1390. A bill to establish a child care provider scholarship program; to the Committee on Education and the Workforce.

H.R. 1391. A bill to amend the Child Abuse Prevention and Treatment Act to provide for an increase in the authorization of appropriations for community-based family resource and support grants under that Act; to the Committee on Education and the Workforce.

H.R. 1392. A bill to amend the Incentive Grants for Local Delinquency Prevention Program Act to authorize appropriations for fiscal year 2002 through 2006; to the Committee on Education and the Workforce.

H.R. 1393. A bill to amend the Juvenile Justice and Delinquency Prevention Act of 1974 to provide financial assistance for the prevention of juvenile crime; to the Committee on Education and the Workforce.

H.R. 1394. A bill to increase the maximum amount of defense funds that may be obligated to carry out the National Guard civilian youth opportunities program; to the Committee on Armed Services.

H.R. 1395. A bill to increase discretionary funding for certain grant programs established under the ''Edward Byrne Memorial State and Local Law Enforcement Assistance Programs''; to the Committee on the Judiciary.

H.R. 1396. A bill to encourage States to require a holding period for any student expelled for bringing a gun to school; to the Committee on Education and the Workforce.

H.R. 1397. A bill to allow States to develop or expand instant gun checking capabilities, to allow a tax credit for the purchase of safe storage devices for firearms, to promote the fitting of handguns with child safety locks, and to prevent children from injuring themselves and others with firearms; to the Committee on the Judiciary, and in addition to

the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. RANGEL (for himself, Mr. BONIOR, Mrs. MINK of Hawaii, Mr. PASTOR, Mr. SAWYER, Mr. MCNULTY, Mr. PASCRELL, Mr. MATSUI, Mr. BARRETT, and Mr. LEVIN):

H.R. 1398. A bill to amend the Internal Revenue Code of 1986 to provide individual income tax rate reductions, tax relief to families with children, marriage penalty relief, and to immediately eliminate the estate tax for two-thirds of all decedents currently subject to the estate tax; to the Committee on Ways and Means.

By Mr. VISCLOSKY:

H.R. 1399. A bill to assure that the services of a nonemergency department physician are available to hospital patients 24-hours-a-day, seven days a week in all non-Federal hospitals with at least 100 licensed beds; to the Committee on Energy and Commerce.

By Mr. ALLEN (for himself, Mr. WAXMAN, Mr. STARK, Mr. BERRY, Mr. BONIOR, Mr. FROST, Mr. OBEY, Mrs. THURMAN, Mr. DOGGETT, Mr. BROWN of Ohio, Mr. GREEN of Texas, Ms. DELAURO, Mr. PALLONE, Mr. SHOWS, Mr. SANDERS, Ms. SCHAKOWSKY, Mr. CROWLEY, Mr. HINCHEY, Mr. BALDACCI, Mr. ABERCROMBIE, Mr. ANDREWS, Mr. BACA, Mr. BAIRD, Ms. BALDWIN, Mr. BARRETT, Ms. BERKLEY, Mr. BLAGOJEVICH, Mr. BLUMENAUER, Mr. BORSKI, Mr. BOYD, Mr. BRADY of Pennsylvania, Ms. BROWN of Florida, Ms. CARSON of Indiana, Mrs. CLAYTON, Mr. CLEMENT, Mr. CONYERS, Mr. CUMMINGS, Mr. DAVIS of Illinois, Mr. DEFAZIO, Ms. DEGETTE, Mr. DELAHUNT, Mr. EVANS, Mr. FALEOMAVAEGA, Mr. FILNER, Mr. HASTINGS of Florida, Ms. HOOLEY of Oregon, Ms. JACKSON-LEE of Texas, Mr. JEFFERSON, Mrs. JONES of Ohio, Ms. KAPTUR, Mr. KENNEDY of Rhode Island, Mr. KILDEE, Mr. KLECZKA, Mr. KUCINICH, Mr. LAMPSON, Mr. LANTOS, Mr. LARSON of Connecticut, Ms. LEE, Mr. LEWIS of Georgia, Mrs. LOWEY, Mrs. MCCARTHY of New York, Ms. MCCOLLUM, Mr. MCGOVERN, Ms. MCKINNEY, Mr. MCNULTY, Mrs. MALONEY of New York, Mr. MARKEY, Mr. MASCARA, Mr. MEEHAN, Mrs. MEEK of Florida, Mr. MEEKS of New York, Ms. MILLENDER-MCDONALD, Mr. GEORGE MILLER of California, Mrs. MINK of Hawaii, Mr. MOAKLEY, Mr. NADLER, Mrs. NAPOLITANO, Ms. NORTON, Mr. OBERSTAR, Mr. OLVER, Mr. ORTIZ, Mr. OWENS, Mr. PASTOR, Mr. PAYNE, Ms. PELOSI, Mr. PHELPS, Mr. POMEROY, Mr. RAHALL, Mr. REYES, Ms. RIVERS, Ms. ROYBAL-ALLARD, Mr. SANDLIN, Mr. SAWYER, Mr. SERRANO, Ms. SLAUGHTER, Mr. STRICKLAND, Mr. STUPAK, Mr. THOMPSON of Mississippi, Mr. TIERNEY, Mr. UDALL of New Mexico, Mr. UNDERWOOD, Ms. VELAZQUEZ, Ms. WATERS, Mr. WEINER, Mr. WEXLER, Ms. WOOLSEY, and Mr. WYNN):

H.R. 1400. A bill to provide for substantial reductions in the price of prescription drugs for Medicare beneficiaries; to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. PHELPS (for himself, Mr NETHERCUTT, and Mr. RUSH):

H.R. 1401. A bill to amend the Internal Revenue Code of 1986 to exclude from gross income loan payments received under the National Health Service Corps Loan Repayment Program established in the Public Health Service Act; to the Committee on Ways and Means.

By Mr. THOMAS:

H.R. 1402. A bill to amend the Endangered Species Act of 1973 to reform the regulatory process under that Act; to the Committee on Resources.

H.R. 1403. A bill to reform Federal land management activities relating to endangered species conservation; to the Committee on Resources.

H.R. 1404. A bill to amend the Endangered Species Act of 1973 to reform provisions relating to liability for civil and criminal penalties under that Act; to the Committee on Resources.

By Mr. SMITH of New Jersey (for himself and Mr. LANTOS):

H.R. 1405. A bill to amend the Torture Victims Relief Act of 1998 to authorize appropriations to provide assistance for domestic centers and programs for the treatment of victims of torture; to the Committee on Energy and Commerce.

By Mr. EVANS (for himself, Mr. REYES, Mrs. CAPPS, and Mr. DOYLE):

H.R. 1406. A bill to amend title 38, United States Code, to improve presumptive compensation benefits for veterans with ill-defined illnesses resulting from the Persian Gulf War, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. YOUNG of Alaska (for himself, Mr. OBERSTAR, Mr. MICA, Mr. LIPINSKI, Mr. HUTCHINSON, Mr. DEFAZIO, Mr. HORN, Ms. MILLENDER-MCDONALD, Mr. QUINN, Ms. NORTON, Mr. EHLERS, Mr. BACHUS, Mr. BAKER, Mr. COOKSEY, Mr. LOBIONDO, Mr. ISAKSON, Mr. HAYES, Mr. JOHNSON of Illinois, Mr. KENNEDY of Minnesota, and Mr. KIRK):

H.R. 1407. A bill to amend title 49, United States Code, to permit air carriers to meet and discuss their schedules in order to reduce flight delays, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. ROGERS of Michigan (for himself, Mr. OXLEY, Mrs. KELLY, Mr. BACHUS, and Mr. TIBERI):

H.R. 1408. A bill to safeguard the public from fraud in the financial services industry, to streamline and facilitate the anitfraud information-sharing efforts of Federal and State regulators, and for other purposes; to the Committee on Financial Services, and in addition to the Committees on the Judiciary, and Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BAKER:

H.R. 1409. A bill to reform the regulation of certain housing-related Government-sponsored enterprises, and for other purposes; to the Committee on Financial Services.

By Mr. ISTOOK (for himself, Mr. DELAHUNT, Mr. BACHUS, Mr. CAPUANO, Mr. CONYERS, Mr. HUTCHINSON, Mr. FOLEY, Mr. FROST, Mr. ISAKSON, Mr. GORDON, Mr. LAHOOD, and Mr. MATSUI):

H.R. 1410. A bill to foster innovation and technological advancement in the development of the Internet and electronic commerce, and to assist the States in simplifying their sales and use taxes; to the Committee on the Judiciary.

By Mr. WELLER (for himself, Mr. NEAL of Massachusetts, Mrs. KELLY, Mr. TAUZIN, Mr. GOODLATTE, Mr. COX, Mr. CUNNINGHAM, Mr. ISSA, Mrs. WILSON, and Mr. EHRLICH):

H.R. 1411. A bill to amend the Internal Revenue Code of 1986 to allow qualified technological equipment and computer software to be expensed, and for other purposes; to the Committee on Ways and Means.

By Mr. COLLINS (for himself, Mr. LEWIS of Georgia, Mr. HYDE, Mr. CONYERS, Mr. SENSENBRENNER, Mr. BACHUS, Mr. BARR of Georgia, Mr. BECERRA, Mr. BERMAN, Mr. BLUNT, Mr. BOEHNER, Mr. BOUCHER, Mr. CAMP, Mr. CARDIN, Mr. COMBEST, Mr. CONDIT, Mr. CRANE, Mr. DAVIS of Illinois, Mr. DEAL of Georgia, Mr. DOOLITTLE, Ms. DUNN, Mr. EDWARDS, Mr. FARR of California, Mr. FOLEY, Mr. FRANK, Mr. GILLMOR, Mr. GOODE, Mr. GOODLATTE, Mr. GONZALEZ, Mr. GRAHAM, Mr. HALL of Texas, Mr. HALL of Ohio, Mr. HAYWORTH, Mr. HERGER, Mr. HOBSON, Mr. HOUGHTON, Mr. HUTCHINSON, Mr. ISAKSON, Mr. JEFFERSON, Mr. SAM JOHNSON of Texas, Mrs. JONES of Ohio, Mr. KANJORSKI, Ms. KAPTUR, Mr. KING, Mr. KLECZKA, Mr. LATOURETTE, Ms. LEE, Mr. LEWIS of Kentucky, Mr. MATSUI, Ms. MCKINNEY, Mr. MCNULTY, Mr. OXLEY, Mr. PHELPS, Mr. PORTMAN, Ms. PRYCE of Ohio, Mr. REYES, Ms. ROYBAL-ALLARD, Mr. SAWYER, Mr. SCARBOROUGH, Mr. SCOTT, Mr. SESSIONS, Mr. SHIMKUS, Mr. SPENCE, Mr. STRICKLAND, Mr. TANNER, Mr. TIBERI, Mr. THOMPSON of California, Mr. THORNBERRY, Mrs. THURMAN, Mr. VITTER, Mr. WATKINS, Mr. WELDON OF FLORIDA, Mr. WELLER, Mr. PITTS, and Mr. REGULA):

H.R. 1412. A bill to amend the Internal Revenue Code of 1986 to provide relief for payment of asbestos-related claims; to the Committee on Ways and Means.

By Mr. WAXMAN (for himself, Mr. GEPHARDT, Mr. BONIOR, Mr. DINGELL, Mr. PALLONE, Mr. BROWN of Ohio, Ms. DELAURO, Mr. FROST, Mr. CONYERS, Mr. EVANS, Mr. LANTOS, Mr. OBERSTAR, Mr. OBEY, Mrs. CAPPS, Mr. MARKEY, Mr. MATSUI, Mr. SANDERS, Ms. SCHAKOWSKY, Mr. INSLEE, Mr. FARR of California, Mr. DAVIS of Illinois, Mr. ABERCROMBIE, Mr. MCGOVERN, Mr. JEFFERSON, Ms. JACKSON-LEE of Texas, Mr. HINCHEY, Mr. RUSH, Mrs. JONES of Ohio, Mr. GEORGE MILLER of California, Mr. MCDERMOTT, Mr. MEEKS of New York, Mrs. MINK of Hawaii, Mr. OWENS, Mr. PAYNE, Ms. PELOSI, Mr. HONDA, Mr. MORAN of Virginia, Mr. KILDEE, Mr. HILLIARD, Mr. HOLT, Mr. ALLEN, Mr. BERMAN, Mr. NCNULTY, Mr. CROWLEY, Mr. GUTIERREZ, Mr. PASCRELL, Mr. KENNEDY of Rhode Island, Mr. THOMPSON of California, Mr. LEVIN, Mrs. MALONEY of New York, Mr. STRICKLAND, Mr. WEINER, Ms. LEE, Mr. SERRANO, Mr. CAPUANO, Ms. SOLIS, Mr. HASTINGS of Florida, Ms. WOOLSEY, Mr. WEXLER, Mr. HOYER, Mrs. DAVIS of California, Ms. ESHOO, Mr. FILNER, Ms. HARMAN, Ms. LOFGREN, Ms. MILLENDER-MCDONALD, Ms. ROYBAL-ALLARD, Ms. SANCHEZ, Mr. SCHIFF, Mr. SHERMAN, Mr. STARK, Mrs. TAUSCHER, Ms. WATERS, Ms. DEGETTE, Mr. UDALL of Colorado, Mr. DEFAZIO, Ms. HOOLEY of Oregon, Mr. WU, Ms. RIVERS, Mr. CARSON of Oklahoma, Ms. EDDIE BERNICE JOHNSON of Texas, Mrs. CLAYTON, Mr. DOGGETT, Mr. LARSON of Connecticut, Mr. BALDACCI, Mr. DELAHUNT, Mr. FRANK, Mr. MEEHAN, Mr. NEAL of Massachusetts, Mr. OLVER, Mr. TIERNEY, Mr. LANGEVIN, Ms. BALDWIN, Mr. BARRETT, Mr. BLAGOJEVICH, Mr.

COSTELLO, Mr. JACKSON of Illinois, Ms. KAPTUR, Mr. KUCINICH, Mr. SAWYER, Mr. SPRATT, Ms. KILPATRICK, Mr. LUTHER, Mr. DEUTSCH, Mr. MALONEY of Connecticut, Mr. LAMPSON, Mr. BENTSEN, Mr. GREEN of Texas, Mr. GONZALEZ, Ms. MCCOLLUM, Mr. CLAY, Mr. NADLER, Mr. STUPAK, Mr. SCOTT, Mr. PRICE of North Carolina, Mr. BECERRA, Mr. ROTHAM, Mr. BLUMENAUER, Mr. LEWIS of Georgia, Ms. MCCARTHY of Missouri, Ms. MCKINNEY, Mr. EDWARDS, Mr. ENGEL, Mr. KLECZKA, Mr. MENENDEZ, Mr. POMEROY, Mrs. MEEK of Florida, Ms. VELAZQUEZ, Mr. VISCLOSKY, Mr. WYNN, Mr. TOWNS, Mr. DAVIS of Florida, Mr. ANDREWS, Mr. HOEFFEL, Mr. ETHERIDGE, Mr. KANJORSKI, Mr. ACKERMAN, Mr. BORSKI, Mr. BOSWELL, Mr. BRADY of Pennsylvania, Mr. CARDIN, Mr. CLEMENT, Mr. FATTAH, Mr. HALL of Ohio, Mr. HINOJOSA, Mr. ISRAEL, Mr. LAFALCE, Mr. LIPINSKI, Mr. MASCARA, Mrs. MCCARTHY of New York, Mr. MOAKLEY, Mr. MURTHA, Mrs. NAPOLITANO, Mr. RANGEL, Mr. SKELTON, Ms. SLAUGHTER, Mrs. THURMAN, Mr. WATT of North Carolina, Mr. HOLDEN, Mr. KIND, and Mr. BAIRD):

H.R. 1413. A bill to codify the rule establishing a maximum contaminant level for arsenic published in the Federal Register by the Environmental Protection Agency on January 22, 2001, and for other purposes; to the Committee on Energy and Commerce.

By Mr. RANGEL (for himself, Mr. MCNULTY, Mr. TOWNS, Mr. LAFALCE, Ms. SLAUGHTER, Mr. HINCHEY, Mr. CROWLEY, Mrs. MALONEY of New York, Mr. SERRANO, and Mr. GILMAN):

H.R. 1414. A bill to amend the Internal Revenue Code of 1986 to expand the work opportunity tax credit for small business jobs creation; to the Committee on Ways and Means.

By Mr. RANGEL (for himself, Mr. MCNULTY, Mr. TOWNS, Mr. LAFALCE, Ms. SLAUGHTER, Mr. HINCHEY, Mr. CROWLEY, Mrs. MALONEY of New York, and Mr. SERRANO):

H.R. 1415. A bill to amend the Internal Revenue Code of 1986 to provide an income tax credit to holders of bonds financing new communications technologies, and for other purposes; to the Committee on Ways and Means.

By Mr. LAFALCE (for himself, Mr. HINCHEY, Mr. RANGEL, Mrs. MALONEY of New York, Mr. MCNULTY, Ms. SLAUGHTER, and Mr. BOEHLERT):

H.R. 1416. A bill to provide grants and other incentives to promote new communications technologies, and for other purposes; to the Committee on Energy and Commerce.

By Mr. HINCHEY (for himself, Mr. QUINN, Mr. LAFALCE, Mr. MCNULTY, Ms. SLAUGHTER, Mrs. MALONEY of New York, Mr. RANGEL, Mr. SERRANO, and Mr. TOWNS):

H.R. 1417. A bill to expand the Manufacturing Extension Program to bring the new economy to small and medium-sized businesses; to the Committee on Financial Services.

By Mr. QUINN (for himself, Mr. HINCHEY, Mr. LAFALCE, Mr. MCNULTY, Ms. SLAUGHTER, and Mrs. MALONEY of New York):

H.R. 1418. A bill to provide for business incubator activities, and for other purposes; to the Committee on Financial Services.

By Mr. HINCHEY (for himself, Mr. LAFALCE, Mr. MCNULTY, Ms. SLAUGHTER, Mrs. MALONEY of New York, Mr. SERRANO, Mr. RANGEL, and Mr. TOWNS):

H.R. 1419. A bill to establish regional skills alliances, and for other purposes; to the Committee on Education and the workforce.

By Mr. HALL of Ohio (for himself, Mr. WOLF, Mrs. EMERSON, Mrs. CLAYTON, and Mr. GOODLATTE):

H.R. 1420. A bill to establish the Bill Emerson and Mickey Leland memorial fellowship programs, and for other purposes; to the Committee on Agriculture, and in addition to the Committee on International Relations, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. ACKERMAN (for himself, Mr. ALLEN, Ms. BALDWIN, Mr. BASS, Mr. BERMAN, Mr. BLUMENAUER, Mr. BORSKI, Mr. CLYBURN, Mr. CONYERS, Mr. CROWLEY, Mr. DELAHUNT, Mr. DEUTSCH, Mr. DOYLE, Mr. ENGEL, Mr. EVANS, Mr. FILNER, Mr. FOLEY, Mr. FRANK, Mr. FRELINGHUYSEN, Mr. GILMAN, Mr. GOSS, Mr. HINCHEY, Mr. HOLT, Mr. HORN, Mr. INSLEE, Mrs. KELLY, Mr. KILDEE, Mr. KLECZKA, Mr. KUCINICH, Mr. LANTOS, Mr. LEWIS of Georgia, Mr. LIPINSKI, Mrs. LOWEY, Mr. MCDERMOTT, Mr. MCGOVERN, Mr. MEEHAN, Mr. GEORGE MILLER of California, Mr. MOORE, Mr. NADLER, Mr. NEAL of Massachusetts, Mr. PALLONE, Mr. PASCRELL, Ms. PELOSI, Mr. PHELPS, Ms. RIVERS, Mrs. ROUKEMA, Mr. SABO, Mr. SMITH of Washington, Mr. SMITH of New Jersey, Mr. TIERNEY, Mr. TOWNS, Mr. UDALL of Colorado, Mr. WEINER, Ms. WOOLSEY, Mrs. MALONEY of New York, Ms. MCKINNEY, Mrs. MORELLA, Mr. STARK, Mr. RANGEL, Ms. JACKSON-LEE of Texas, Mr. MALONEY of Connecticut, Mrs. MCCARTHY of New York, Mr. WEXLER, Mr. SHAYS, Mrs. TAUSCHER, Mr. ABERCROMBIE, Ms. SLAUGHTER, Ms. KILPATRICK, Mr. GALLEGLY, Ms. CARSON of Indiana, Mr. BARCIA, Ms. SCHAKOWSKY, Mr. DEFAZIO, Mr. ANDREWS, Ms. DELAURO, Mr. RUSH, Mrs. JOHNSON of Connecticut, Mr. WOLF, Mr. BONIOR, Mr. HYDE, Ms. ROYBAL-ALLARD, and Mrs. CLAYTON):

H.R. 1421. A bill to amend the Packers and Stockyards Act, 1921, to make it unlawful for any stockyard owner, market agency, or dealer to transfer or market nonambulatory cattle, sheep, swine, horses, mules, or goats, and for other purposes; to the Committee on Agriculture.

By Mr. ANDREWS:

H.R. 1422. A bill to amend title I of the Employee Retirement Income Security Act of 1974 to provide, in the case of an employee welfare benefit plan providing benefits in the event of disability, an exemption from preemption under such title for State tort actions to recover damages arising from the failure of the plan to timely provide such benefits; to the Committee on Education and the Workforce.

By Mr. BACA:

H.R. 1423. A bill to provide for quality remedial education by encouraging increased partnerships between middle and high schools with community and technical colleges which have experience in remedial education services; to the Committee on Education and the Workforce.

H.R. 1424. A bill to amend the Telemarketing and Consumer Fraud and Abuse Prevention Act to direct the Federal Trade Commission to prescribe rules that prohibit certain deceptive and abusive recovery practices in connection with telemarketing; to the Committee on Energy and Commerce.

By Mr. BACA (for himself, Mr. FATTAH, Ms. MCCARTHY of Missouri, Mr. SABO, Ms. MILLENDER-MCDONALD, Mr. BOYD, Mr. MOORE, Mr. FALEOMAVAEGA, Ms. SOLIS, Mr. JACKSON of Illinois, Mr. FILNER, Mr. RAHALL, and Mr. RANGEL):

H.R. 1425. A bill to provide for the award of a gold medal on behalf of the Congress to Tiger Woods, in recognition of his service to the Nation in promoting excellence and good sportsmanship, and in breaking barriers with grace and dignity by showing that golf is a sport for all people; to the Committee on Financial Services.

By Mr. BASS:

H.R. 1426. A bill to amend the Consumer Product Safety Act to provide that low-speed electric personal assistive mobility devices are consumer products subject to that Act; to the Committee on Energy and Commerce.

By Mr. BENTSEN (for himself and Mr. BRADY of Texas):

H.R. 1427. A bill to amend the Internal Revenue Code of 1986 to permit the issuance of tax-exempt bonds for certain air and water pollution control facilities; to the Committee on Ways and Means.

By Mr. BEREUTER (for himself, Mr. BLUMENAUER, and Mr. COSTELLO):

H.R. 1428. A bill to amend the National Flood Insurance Act of 1968 to reduce losses to properties for which repetitiveness flood insurance claim payments have been made; to the Committee on Financial Services.

By Ms. BERKLEY (for herself, Mr. UDALL of Colorado, Mr. FROST, Ms. SLAUGHTER, Mr. SERRANO, Mrs. THURMAN, Mr. SANDLIN, Mr. WEXLER, Mr. LANTOS, Mr. BAIRD, Ms. LEE, Ms. CARSON of Indiana, Mr. ACEVEDO-VILA, Mr. GUTIERREZ, and Mr. MCGOVERN):

H.R. 1429. A bill to improve academic and social outcomes for students and reduce both juvenile crime and the risk that youth will become victims of crime by providing productive activities during after school hours; to the Committee on Education and the Workforce.

By Mrs. BIGGERT:

H.R. 1430. A bill to provide States with funds to support State, regional, and local school construction; to the Committee on Education and the Workforce.

By Mr. BILIRAKIS (for himself, Mr. OTTER, Mr. NORWOOD, Mr. SAWYER, Mr. SCARBOROUGH, Mr. SHIMKUS, Mrs. THURMAN, and Mr. TRAFICANT):

H.R. 1431. A bill to provide additional authority to the Office of Ombudsman of the Environmental Protection Agency; to the Committee on Energy and Commerce.

By Mr. BISHOP (for himself, Mr. KINGSTON, Mr. LEWIS of Georgia, Mr. DEAL of Georgia, Mr. NORWOOD, and Mr. COLLINS):

H.R. 1432. A bill to designate the facility of the United States Postal Service located at 3698 Inner Perimeter Road in Valdosta, Georgia, as the ''Major Lyn McIntosh Post Office Building''; to the Committee on Government Reform.

By Mr. BLUMENAUER (for himself, Mr. ABERCROMBIE, Mr. FARR of California, Mr. GILCHREST, Mr. GILLMOR, Mr. HOEFFEL, Mr. ISAKSON, Mrs. JONES of Ohio, Mr. PALLONE, and Mr. UDALL of Colorado):

H.R. 1433. A bill to authorize the Secretary of Housing and Urban Development to make grants to assist States, tribal governments, and Native Hawaiian organizations in their efforts to develop or update land use planning legislation in order to promote more environmentally compatible and effective urban development, improved quality of life, regionalism, sustainable economic development, and environmental stewardship, and

for other purposes; to the Committee on Financial Services, and in addition to the Committee on Resources, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. CAMP (for himself, Mr. RANGEL, Mr. FOLEY, Mr. LEVIN, Mr. GORDON, Mr. MANZULLO, Mr. RYAN of Wisconsin, and Mr. LATOURETTE):

H.R. 1434. A bill to amend the Internal Revenue Code of 1986 to restore and make permanent the exclusion from gross income for amounts received under qualified group legal services plans and to increase the maximum amount of the exclusion; to the Committee on Ways and Means.

By Mrs. CAPPS (for herself, Mr. EVANS, Mr. TOWNS, Ms. JACKSON-LEE of Texas, Mr. LUTHER, Ms. NORTON, Mr. MOORE, Mr. KILDEE, Mr. ROSS, Mr. OWENS, Ms. WOOLSEY, Mr. DOYLE, Mr. LANTOS, Mr. GONZALEZ, Ms. MCKINNEY, Mr. BLUMENAUER, Mr. SANDERS, Mr. HOLDEN, Ms. WATERS, Mr. HONDA, Mr. PASCRELL, Mrs. MALONEY of New York, Mrs. CHRISTENSEN, Mr. STRICKLAND, Mr. MEEHAN, Mrs. NAPOLITANO, Mr. MASCARA, Mr. NEAL of Massachusetts, Mr. HINOJOSA, Mr. BOUCHER, Mr. SHERMAN, Ms. DELAURO, Mr. WYNN, Ms. KILPATRICK, Mr. MOLLOHAN, Mr. UDALL of New Mexico, Mr. FILNER, Mr. FALEOMAVAEGA, Mr. COYNE, Ms. HOOLEY of Oregon, Mr. FROST, Mr. LEWIS of Georgia, Mr. RAHALL, Mr. MORAN of Virginia, Mr. OBERSTAR, Mr. WEXLER, Mr. BECERRA, Mr. RODRIGUEZ, Mr. KIND, Ms. SLAUGHTER, Mr. UNDERWOOD, Mr. BERMAN, Ms. BALDWIN, Ms. CARSON of Indiana, Mrs. TAUSCHER, Mr. STUPAK, Mr. EHRLICH, and Mr. ENGLISH):

H.R. 1435. A bill to authorize the Secretary of Veterans Affairs to award grants to provide for a national toll-free hotline to provide information and assistance to veterans; to the Committee on Veterans' Affairs.

By Mrs. CAPPS (for herself, Mrs. KELLY, Mrs. MCCARTHY of New York, Ms. EDDIE BERNICE JOHNSON of Texas, Ms. DELAURO, Mr. GILMAN, Ms. HOOLEY of Oregon, Mr. LARSON of Connecticut, Mr. TOWNS, Mr. LANGEVIN, Mr. STENHOLM, Mr. PASCRELL, Mr. DEFAZIO, Mr. RUSH, Mr. BALDACCI, Mr. FROST, Mr. POMEROY, Mr. MATSUI, Ms. SOLIS, Mr. BARRETT, Mr. LANTOS, Mr. MCGOVERN, Mr. KIND, Mr. ABERCROMBIE, Mr. GREEN of Texas, Ms. ESHOO, Mr. WYNN, and Mr. DINGELL):

H.R. 1436. A bill to amend the Public Health Service Act, titles XVIII and XIX of the Social Security Act, and the Internal Revenue Code of 1986 which respect to alleviating the nursing profession shortage, and for other purposes; to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. COLLINS (for himself, Mr. NORWOOD, Mr. DEAL of Georgia, and Mr. CHAMBLISS):

H.R. 1437. A bill to amend the Internal Revenue Code of 1986 to reduce the maximum estate and gift tax rate to 45 percent, to replace the unified credit against the estate and gift tax with a unified exemption amount, and to increase the gift exclusion amount; to the Committee on Ways and Means.

By Mr. COLLINS:

H.R. 1438. A bill to amend the Internal Revenue Code of 1986 to allow a credit against income tax for taxpayers owning certain commercial power takeoff vehicles; to the Committee on Ways and Means.

By Mr. COYNE (for himself and Mr. WELLER):

H.R. 1439. A bill to amend the Internal Revenue Code of 1986 to extend permanently environmental remediation costs; to the Committee on Ways and Means.

By Mrs. DAVIS of California:

H.R. 1440. A bill to amend the Public Health Service Act, the Employee Retirement Income Security Act of 1974, and the Internal Revenue Code of 1986 to require that group and individual health insurance coverage and group health plans permit enrollees direct access to services of obstetrical and gynecological physician services directly and without a referral; to the Committee on Energy and Commerce, and in addition to the Committees on Education and the Workforce, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. DEMINT (for himself, Mr. STENHOLM, and Mr. ARMEY):

H.R. 1441. A bill to amend the Fair Labor Standards Act of 1938 to provide an exemption to States which adopt certain minimum wage laws; to the Committee on Education and the Workforce.

By Mr. DEUTSCH:

H.R. 1442. A bill to amend the Internal Revenue Code of 1986 to increase the unified credit against estate and gift taxes to the equivalent of a $5,000,000 exclusion and to provide an inflation adjustment of such amount; to the Committee on Ways and Means.

By Mr. DOGGETT (for himself, Mr. STARK, Mr. MATSUI, Mr. CARDIN, Mr. MCDERMOTT, Mr. LEWIS of Georgia, Mr. NEAL of Massachusetts, Mr. TANNER, Mrs. THURMAN, Mr. POMEROY, Mr. GONZALEZ, Mr. HOLT, Mr. SHERMAN, Mr. CAPUANO, and Mr. ETHERIDGE):

H.R. 1443. A bill to amend the Internal Revenue Code of 1986 to allow the Secretary of the Treasury to disclose taxpayer identity information through mass communications to notify persons entitled to tax refunds; to the Committee on Ways and Means.

By Mr. DOOLITTLE (for himself, Mr. DELAY, Mr. ARMEY, Mr. BLUNT, Mrs. CUBIN, Mr. COX, Mr. DREIER, Mr. BALLENGER, Mr. BARR of Georgia, Mr. BARTON of Texas, Mrs. BONO, Mr. BRYANT, Mr. BURTON of Indiana, Mr. CALVERT, Mr. CAMP, Mr. CANNON, Mr. CANTOR, Mr. CULBERSON, Mr. CUNNINGHAM, Mr. FLAKE, Mr. GIBBONS, Mr. HANSEN, Mr. HEFLEY, Mr. HERGER, Mr. HOEKSTRA, Mr. HOSTETTLER, Mr. HUNTER, Mr. SAM JOHNSON of Texas, Mr. JONES of North Carolina, Mr. LARGENT, Mr. LEWIS of Kentucky, Mr. MCINNIS, Mr. GARY G. MILLER of California, Mr. NORWOOD, Mr. OXLEY, Mr. PENCE, Mr. PICKERING, Mr. POMBO, Mr. RADANOVICH, Mr. ROHRABACHER, Mr. RYUN of Kansas, Mr. SCHROCK, Mr. SESSIONS, Mr. SHADEGG, Mr. SIMPSON, Mr. SKEEN, Mr. SPENCE, Mr. TANCREDO, Mr. TAUZIN, Mr. TAYLOR of North Carolina, Mr. TIAHRT, Mr. TOOMEY, Mr. WELDON of Florida, Mr. WHITFIELD, Mr. YOUNG of Alaska, Mr. MCCRERY, Mr. BOEHNER, Mr. EVERETT, Mr. COLLINS, Ms. PRYCE of Ohio, Mr. LEWIS of California, Mr. WATKINS, Ms. DUNN, Mr. HAYWORTH, Mr. CRANE, Mr. PETERSON of Pennsylvania, Mr. NETHERCUTT, Mr. KNOLLENBERG, Mr. HASTINGS of Washington, Mr. ISSA, Mr. CHAMBLISS, and Mr. BURR of North Carolina):

H.R. 1444. A bill to amend the Federal Election Campaign Act of 1971 to reform the financing of campaigns for election for Federal office; to the Committee on House Administration, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. ENGLISH (for himself and Mr. GALLEGLY):

H.R. 1445. A bill to amend the Federal Election Campaign Act of 1971 to require candidates for election to the House of Representatives or Senate to raise not less than 50 percent of their contributions from residents of the States the candidates seek to represent and not less than 50 percent of their contributions from individuals, and for other purposes; to the Committee on House Administration.

By Mr. ENGLISH:

H.R. 1446. A bill to provide trade negotiating authority; to the Committee on Ways and Means, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. FALEOMAVAEGA:

H.R. 1447. A bill to amend the Federal Election Campaign Act of 1971 to clarify the right of nationals of the United States to make contributions in connection with an election to political office; to the Committee on House Administration.

H.R. 1448. A bill to clarify the tax treatment of bonds and other obligations issued by the Government of American Samoa; to the Committee on Ways and Means, and in addition to the Committees on the Judiciary, and Resources, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. FOLEY (for himself and Mr. ACKERMAN):

H.R. 1449. A bill to amend the Immigration and Nationality Act to provide that aliens who commit acts of torture or war crimes abroad are inadmissible and removable and to establish within the Criminal Division of the Department of Justice an Office of Special Investigations having responsibilities under that Act with respect to all alien participants in war crimes or acts of genocide or torture abroad; to the Committee on the Judiciary.

By Mr. FOLEY (for himself, Mr. MICA, Mrs. THURMAN, Mr. DAVIS of Florida, Mr. STEARNS, Mrs. MEEK of Florida, Mr. WEXLER, Mr. DIAZ-BALART, and Ms. ROS-LEHTINEN):

H.R. 1450. A bill to direct the Department of Veterans Affairs to establish a new veterans benefits office in the State of Florida, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. FOLEY (for himself, Mr. POMEROY, and Mr. TANNER):

H.R. 1451. A bill to amend title XVIII of the Social Security Act to provide for the fair treatment of certain physician pathology services under the Medicare Program; to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. FRANK (for himself, Mr. FROST, Mr. DIAZ-BALART, Mr. MCGOVERN, Mr. KENNEDY of Rhode Island, Ms.

JACKSON-LEE of Texas, Mr. BALDACCI, Mr. CAPUANO, Mr. DELAHUNT, Mr. FILNER, Mr. MCDERMOTT, Mrs. MINK of Hawaii, Mr. RANGEL, Mr. RODRIGUEZ, Ms. SCHAKOWSKY, Mr. GEORGE MILLER of California, and Mr. LANGEVIN):

H.R. 1452. A bill to amend the Immigration and Nationality Act to permit certain long-term permanent resident aliens to seek cancellation of removal under such Act, and for other purposes; to the Committee on the Judiciary.

By Mr. GALLEGLY:

H.R. 1453. A bill to strengthen warning labels on smokeless tobacco products; to the Committee on Energy and Commerce.

H.R. 1454. A bill to prohibit the importation of bidi cigarettes; to the Committee on Ways and Means.

By Mr. GOODE (for himself, Mr. RYUN of Kansas, Mr. COOKSEY, Mr. THUNE, Mr. BARR of Georgia, Mr. BARCIA, Mr. HEFLEY, Mr. HALL of Texas, and Mr. PAUL):

H.R. 1455. A bill to repeal section 658 of Public Law 104–208, commonly referred to as the Lautenberg amendment; to the Committee on the Judiciary.

By Mr. GOODE (for himself, Mr. SCHROCK, Mr. TOM DAVIS of Virginia, Mr. SCOTT, Mr. MORAN of Virginia, and Mr. BOUCHER):

H.R. 1456. A bill to expand the boundary of the Booker T. Washington National Monument, and for other purposes; to the Committee on Resources.

By Mr. GUTIERREZ (for himself, Mr. SERRANO, Ms. BROWN of Florida, Mr. BONIOR, Mr. FRANK, Mr. BLAGOJEVICH, Mr. OWENS, Mr. CUMMINGS, Mr. MCDERMOTT, Mr. FARR of California, Mr. CAPUANO, Mr. HILLIARD, Mr. JACKSON of Illinois, Mr. MATSUI, Mr. COSTELLO, Mr. MCNULTY, Mr. THOMPSON of Mississippi, Mr. RUSH, Ms. VELAZQUEZ, Ms. JACKSON-LEE of Texas, Mr. MCGOVERN, Mr. PAYNE, Mrs. MINK of Hawaii, Ms. SCHAKOWSKY, Mr. EVANS, Ms. WATERS, Mr. WYNN, Mr. FILNER, Mr. REYES, Ms. NORTON, Mr. STARK, Mr. NADLER, Ms. MCKINNEY, Mr. FATTAH, Mr. CONYERS, Ms. BALDWIN, Mr. RODRIGUEZ, Mr. KUCINICH, Mr. GEORGE MILLER of California, Mr. JEFFERSON, Ms. WOOLSEY, Mr. MALONEY of Connecticut, Ms. LEE, Ms. PELOSI, Mr. STRICKLAND, Mr. TOWNS, Ms. ROYBAL-ALLARD, Ms. MILLENDER-MCDONALD, Mr. ORTIZ, Mr. BACA, Mr. CLAY, Mr. MOAKLEY, Mrs. JONES of Ohio, Mr. LIPINSKI, Mr. ENGEL, Mr. HOEFFEL, Mrs. CHRISTENSEN, Ms. KILPATRICK, Ms. CARSON of Indiana, Mr. DEFAZIO, Mr. GONZALEZ, Mr. HINCHEY, Mrs. NAPOLITANO, Mr. PHELPS, Mr. BRADY of Pennsylvania, and Mr. GREEN of Texas):

H.R. 1457. A bill to provide for livable wages for Federal Government workers and workers hired under Federal contracts; to the Committee on Government Reform, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. HAYES (for himself, Mr. GRAHAM, Mr. DEMINT, and Mr. MCINTYRE):

H.R. 1458. A bill to limit the exceptions to certain ''Buy American'' requirements, and to expand such requirements; to the Committee on Armed Services.

By Mr. HAYWORTH (for himslef, Mr. ENGLISH, Mr. MATSUI, Mr. WELLER, Mr. NEAL of Massachusetts, Mr. HOUGHTON, Ms. BALDWIN, Mr. KING, Mr. SPRATT, and Mr. GRAHAM):

H.R. 1459. A bill to amend the Internal Revenue Code of 1986 to improve electric reliability, enhance transmission infrastructure, and to facilitate access to the electric transmission grid; to the Committee on Ways and Means.

By Mr. HEFLEY:

H.R. 1460. A bill to amend section 922 of chapter 44 of title 18, United States Code, to protect the rights of citizens under the Second Amendment to the Constitution of the United States; to the Committee on the Judiciary.

H.R. 1461. A bill to amend the National Parks Omnibus Management Act of 1998 to remove the exemption for nonprofit organizations from the general requirement to obtain commercial use authorizations; to the Committee on Resources.

By Mr. HEFLEY (for himself, Mr. OTTER, Mr. CANNON, and Mr. KENNEDY of Rhode Island):

H.R. 1462. A bill to require the Secretary of the Interior to establish a program to provide assistance through states to eligible weed management entities to control or eradicate harmful, nonnative weeds on public and private land; to the Committee on Resources, and in addition to the Committee on Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. HERGER (for himself, Mr. CRANE, Mr. ENGLISH, Mr. FOLEY, Mr. HOUGHTON, Mr. MATSUI, Mr. MCKEON, Mr. RAMSTAD, and Mr. NEAL of Massachusetts):

H.R. 1463. A bill to amend the Internal Revenue Code of 1986 to treat distributions from publicly traded partnerships as qualifiying income of regulated investment companies, and for other purposes; to the Committee on Ways and Means.

By Mr. HOLDEN (for himself, Mr. STARK, Mrs. BONO, Mr. CRAMER, Ms. HOOLEY of Oregon, Mr. MCINTYRE, Mr. BRADY of Pennsylvania, Mr. SNYDER, Mr. GORDON, Mr. SKELTON, Mr. DOYLE, Mr. TURNER, Mr. BORSKI, Mr. LAHOOD, Mr. TAYLOR of North Carolina, Mr. FROST, Mr. LATOURETTE, Mr. FRANK, Mr. PAUL, Mr. KILDEE, Mr. ANDREWS, Mrs. CAPPS, Ms. RIVERS, Mr. BOUCHER, Mr. MCNULTY, Mr. BALDACCI, Mr. MASCARA, Mr. GONZALEZ, Mr. WELDON of Pennsylvania, Mr. FILNER, Mr. LANTOS, Mr. GOODE, Ms. BROWN of Florida, Mr. BOEHLERT, Mrs. JONES of Ohio, Mr. CROWLEY, Mr. STUPAK, Mr. PASTOR, Ms. SCHAKOWSKY, Mr. HINCHEY, Ms. HART, Mrs. EMERSON, Mr. NEY, Mr. GEORGE MILLER of California, Mr. BARRETT, Mr. GILLMOR, Mr. DEFAZIO, Mr. EVANS, Mr. CONDIT, Ms. BERKLEY, Mr. KUCINICH, Mr. COSTELLO, Mr. CLEMENT, Ms. SOLIS, Mr. SERRANO, Ms. MCCARTHY of Missouri, Mr. SHAYS, Mr. COYNE, Mr. BOSWELL, and Mr. SMITH of New Jersey):

H.R. 1464. A bill to amend title II of the Social Security Act to provide that a monthly insurance benefit thereunder shall be paid for the month in which the recipient dies, subject to a reduction of 50 percent if the receipient dies during the first 15 days of such month, and for other purposes; to the Committee on Ways and Means.

By Mr. HOLT (for himself, Mr. GEORGE MILLER of California, Mr. UDALL of New Mexico, Mr. HINCHEY, Mr. PALLONE, Mr. BLUMENAUER, Mrs. MINK of Hawaii, Mr. NADLER, Mr. LEWIS of Georgia, Mr. HOEFFEL, Ms. MCKINNEY, Ms. DEGETTE, Mr. MOORE, Mr. FARR of California, Mr. KUCINICH, Mr. CAPUANO, Mr. MARKEY, and Mr. UDALL of Colorado):

H.R. 1465. A bill to restrict the use of snowmobiles in units of the National Park System; to the Committee on Resources.

By Mr. HOSTETTLER (for himself, Mr. RYUN of Kansas, Ms. MCKINNEY, Mr. SCHAFFER, Mr. BARTLETT of Maryland, Mr. PITTS, Mr. CHABOT, Mr. PENCE, Mr. SOUDER, Mr. JONES of North Carolina, Mr. GOODE, Mr. COX, Mr. DOOLITTLE, Mr. SMITH of Michigan, Mr. GIBBONS, Mr. CANTOR, Mr. SCHROCK, Mr. SMITH of New Jersey, Mr. ISTOOK, Mr. PAUL, Mr. SESSIONS, Mrs. JO ANN DAVIS of Virginia, Mrs. TAUSCHER, and Mr. ISSA):

H.R. 1466. A bill to amend the Internal Revenue Code of 1986 to exclude from gross income any enlistment, accession, reenlistment, or retention bonus paid to a member of the Armed Forces; to the Committee on Ways and Means.

By Mr. HUNTER (for himself, Mr. TANCREDO, Mr. KINGSTON, Mr. WAMP, Mr. JONES of North Carolina, Mr. HAYES, Mr. BARTLETT of Maryland, Mr. GIBBONS, Ms. KAPTUR, Mr. SPENCE, Mr. BROWN of Ohio, Mr. STEARNS, Mr. BARR of Georgia, Mr. EVERETT, Mr. BURTON of Indiana, Mrs. CUBIN, Mr. DEFAZIO, Mr. SANDERS, Mr. HEFLEY, Mr. GRAHAM, Mr. SMITH of New Jersey, Mr. ROHRABACHER, Mr. NORWOOD, Mr. LIPINSKI, Mr. ADERHOLT, Mr. DUNCAN, Mr. HOSTETTLER, Mr. BILIRAKIS, Mr. GILMAN, Mr. TAYLOR of North Carolina, Mr. ROGERS of Michigan, Mr. TAYLOR of Mississippi, and Mr. CAPUANO):

H.R. 1467. A bill to withdraw nondiscriminatory treatment (normal trade relations treatment) from the People's Republic of China; to the Committee on Ways and Means.

By Mr. INSLEE (for himself, Mr. BACA, Mr. BECERRA, Mr. BAIRD, Mr. BERMAN, Mr. BLUMENAUER, Mrs. CAPPS, Mr. CAPUANO, Mr. CONDIT, Mrs. DAVIS of California, Mr. DEFAZIO, Mr. DICKS, Ms. ESHOO, Mr. FARR of California, Mr. FILNER, Mr. GEPHARDT, Ms. HARMAN, Mr. HONDA, Ms. HOOLEY of Oregon, Mr. LANTOS, Mr. LARSEN of Washington, Ms. LOFGREN, Ms. LEE, Mr. MATSUI, Mr. MCDERMOTT, Mr. GEORGE MILLER of California, Ms. MILLENDER-MCDONALD, Mrs. NAPOLITANO, Ms. SCHAKOWSKY, Mr. SHERMAN, Mr. SMITH of Washington, Ms. SOLIS, Mr. STARK, Mrs. TAUSCHER, Mr. THOMPSON of California, Ms. WATERS, Mr. WAXMAN, Ms. WOOLSEY, and Mr. WU):

H.R. 1468. A bill to establish the dysfunctional wholesale power market in the Western United States, and for other purposes; to the Committee on Energy and Commerce.

By Mr. JOHN:

H.R. 1469. A bill to amend title 38, United States Code, to provide for grants to repair veterans memorials; to the Committee on Veterans' Affairs.

By Mrs. JOHNSON of Connecticut (for herself, Mr. LEVIN, Mr. SHAW, Mr. CARDIN, Mr. HAYWORTH, Mr. MATSUI, Mr. WATKINS, Mr. KLECZKA, Mr. CAMP, Mr. RANGEL, Mr. RAMSTAD, Mr. COYNE, Mr. ENGLISH, Mr. JEFFERSON, Mr. HOUGHTON, Mr. MCDERMOTT, Mr. WALSH, Mr. MCNULTY, Mr. LOBIONDO, Mr. BECERRA, Mr. SIMMONS, Mr. STARK, Mr. KIRK, Mr. GEORGE MILLER of California, Mr. SHAYS, Ms. BALDWIN, Mr. SHIMKUS, Mr. CAPUANO, Mr.

SAXTON, Mr. BLAGOJEVICH, Mrs. MORELLA, Mr. DOYLE, Mr. SMITH of New Jersey, Mr. ABERCROMBIE, Mr. SANDLIN, Ms. ROYBAL-ALLARD, Mr. MALONEY of Connecticut, Mr. ALLEN, Mr. HINCHEY, Mrs. MALONEY of New York, Mr. MCGOVERN, Ms. SANCHEZ, Ms. RIVERS, Mr. LARSON of Connecticut, Mr. STRICKLAND, Ms. SCHAKOWSKY, Mrs. MINK of Hawaii, Mr. MENENDEZ, Mr. BALDACCI, Mr. BARRETT, Mr. BERMAN, Mr. CRAMER, Ms. DELAURO, Mr. ENGEL, Mr. FROST, Mr. HALL of Ohio, Mr. HILLIARD, Mr. HOLDEN, Ms. JACKSON-LEE of Texas, Ms. KILPATRICK, Mr. LAFALCE, Ms. LEE, and Ms. PELOSI):

H.R. 1470. A bill to amend titles IV and XX of the Social Security Act to restore funding for the Social Services Block Grant, and restore for fiscal year 2002 the ability of States to transfer up to 10 percent of funds from the program of block grants to States for temporary assistance for needy families to carry out activities under the Social Services Block Grant; to the Committee on Ways and Means.

By Mrs. JOHNSON of Connecticut (for herself and Mr. CARDIN):

H.R. 1471. A bill to provide more child support money to families leaving welfare, to simplify the rules governing the assisgnment and distribution of child support collected by States on behalf of children, to improve the collection of child support, to promote marriage, and for other purposes; to the Committee on Ways and Means, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Ms. EDDIE BERNICE JOHNSON of Texas (for herself, Mr. HALL of Texas, Ms. RIVERS, Mr. ETHERIDGE, Mr. ISRAEL, Mr. COSTELLO, Ms. JACKSON-LEE of Texas, Mr. WU, Mr. UDALL of Colorado, Mr. LARSON of Connecticut, Ms. LOFGREN, Ms. WOOLSEY, Mr. GORDON, Mr. BACA, Mr. BARCIA, Mr. BAIRD, and Mr. MOORE):

H.R. 1472. A bill to authorize appropriations for fiscal years 2002, 2003, 2004, and 2005 for the National Science Foundation, and for other purposes; to the Committee on Science.

By Mr. JONES of North Carolina:

H.R. 1473. A bill to provide for expedited consideration by Congress of supplemental appropriations bills for the Department of Defense and the Coast Guard to meet critical national security needs; to the Committee on Rules.

By Mr. JONES of North Carolina (for himself, Mr. CLEMENT, Mr. BAKER, Mr. TAYLOR of Mississippi, Mr. BOEHLERT, Mr. SHOWS, Mr. TAUZIN, Mrs. CUBIN, Mr. GUTKNECHT, Mr. BRADY of Texas, Mr. HERGER, Mr. ENGLISH, Mr. OTTER, Mr. HANSEN, Mr. ARMEY, Mr. REHBERG, and Mr. BARCIA):

H.R. 1474. A bill to amend the Federal Water Pollution Control Act relating to wetlands mitigation banking, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. KILDEE (for himself, Mr. NEY, Mr. SAWYER, Mr. SAXTON, Mr. SCOTT, Mr. SMITH of New Jersey, Mr. STARK, Mr. STRICKLAND, Mr. STUPAK, Mr. THOMPSON of Mississippi, Mr. TIERNEY, Mr. TRAFICANT, Mr. UDALL of New Mexico, Mr. WATT of North Carolina, Ms. WOOLSEY, Mr. KENNEDY of Minnesota, Ms. ROYBAL-ALLARD, Mr. LANGEVIN, Mr. RANGEL, Ms. SOLIS, Mr. MALONEY of Connecticut, Mr. BONIOR, Mr. SHAYS, Mr. PETERSON of Minnesota, Mr. BOSWELL, Mr. BORSKI, Ms. SCHAKOWSKY, Mr. CLEMENT, Mr. LATOURETTE, Mr. KUCINICH, Mr. SHIMKUS, Mr. BARCIA, Mr. BALDACCI, Mr. YOUNG of Alaska, Mr. CRAMER, Mr. WEXLER, Mr. ABERCROMBIE, Mr. ALLEN, Mr. BERMAN, Mr. BOYD, Mrs. CAPPS, Ms. CARSON of Indiana, Mr. CONYERS, Mr. COSTELLO, Mr. CROWLEY, Mr. DAVIS of Florida, Mr. TOM DAVIS of Virginia, Mr. DELAHUNT, Mr. DICKS, Mr. DUNCAN, Mr. FARR of California, Mr. FILNER, Mr. FLETCHER, Mr. FROST, Mr. GREEN of Texas, Mr. GREEN of Wisconsin, Mr. ANDREWS, Ms. BALDWIN, Mr. BARRETT, Ms. BERKLEY, Mr. GUTKNECHT, Mr. HALL of Ohio, Mr. HINCHEY, Mr. HOLT, Mr. HOYER, Mr. INSLEE, Mr. KANJORSKI, Mr. KENNEDY of Rhode Island, Ms. KILPATRICK, Mr. KING, Mr. KLECZKA, Mr. LAFALCE, Mr. LAHOOD, Mr. LANTOS, Mr. LEWIS of Georgia, Mr. LOBIONDO, Ms. LOFGREN, Mrs. LOWEY, Mr. LUTHER, Mrs. MALONEY of New York, Mr. MARKEY, Mr. MATSUI, Mrs. MCCARTHY of New York, Ms. MCCARTHY of Missouri, Ms. MCCOLLUM, Mr. MCGOVERN, Mr. MCHUGH, Ms. MCKINNEY, Mr. MCNULTY, Mrs. MEEK of Florida, Mr. MENENDEZ, Mr. GEORGE MILLER of California, Mrs. MINK of Hawaii, Mr. MOORE, Mr. MORAN of Virginia, Mrs. MORELLA, Ms. NORTON, Mr. OBERSTAR, Mr. OLVER, Mr. ORTIZ, Mr. OWENS, Mr. PALLONE, Mr. PASCRELL, Mr. PAYNE, Ms. PELOSI, Mr. POMEROY, Mr. QUINN, Mr. RAHALL, Mr. RAMSTAD, Ms. RIVERS, Mr. RODRIGUEZ, Mrs. ROUKEMA, Mr. SABO, Ms. SANCHEZ, and Mr. SANDERS):

H.R. 1475. A bill to provide collective bargaining rights for public safety officers employed by States or their political subdivisions; to the Committee on Education and the Workforce.

By Mr. KIND:

H.R. 1476. A bill to establish or expand prekindergarten early learning programs; to the Committee on Education and the Workforce.

By Mr. KIND (for himself and Mr. MCGOVERN):

H.R. 1477. A bill to amend the Internal Revenue Code of 1986 to provide a refundable credit to elementary and secondary school teachers for teaching expenses; to the Committee on Ways and Means.

By Mr. KLECZKA:

H.R. 1478. A bill to protect the privacy of the individuals with respect to the Social Security number and other personal information, and for other purposes; to the Committee on Ways and Means, and in addition to the Committee on Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. KNOLLENBERG (for himself, Mr. BARR of Georgia, Mr. BURR of North Carolina, Mr. BARTLETT of Maryland, Mr. CAMP, Mr. DUNCAN, Mr. EHRLICH, Mr. FOLEY, Mr. FRELINGHUYSEN, Mr. FROST, Mr. GOODLATTE, Ms. GRANGER, Mr. GRAVES, Mr. GUTKNECHT, Mr. ISTOOK, Mr. JOHN, Mr. SAM JOHNSON of Texas, Mr. JONES of North Carolina, Mr. LAHOOD, Mr. MCHUGH, Mr. MILLER of Florida, Mrs. MYRICK, Mr. NETHERCUTT, Mr. PAUL, Mr. PITTS, Mr. ROHRABACHER, Mr. SHIMKUS, Mr. SIMPSON, Mr. SKEEN, Mr. SOUDER, Mr. STUMP, Mr. TAYLOR of North Carolina, Mr. THORNBERRY, Mr. UPTON, and Mr. YOUNG of Alaska):

H.R. 1479. A bill to amend the Energy Policy and Conservation Act to eliminate certain regulation of plumbing supplies; to the Committee on Energy and Commerce.

By Mr. LAFALCE (for himself, Mr. KANJORSKI, Mr. FRANK, Ms. WATERS, Mr. TOWNS, Mr. DINGELL, and Mr. MARKEY):

H.R. 1480: A bill to amend the Securities and Exchange Act of 1934 to reduce fees on securities transactions; to the Committee on Financial Services.

By Mr. LAFALCE (for himself and Mr. FRANK):

H.R. 1481. A bill to prevent the premature shutdown of certain FHA mortgage insurance programs; to the Committee on Financial Services.

By Mr. LANGEVIN (for himself, Ms. MCKINNEY, Mr. FRANK, Mr. MCGOVERN, Mr. BALDACCI, Mr. HONDA, Mr. LEWIS of Georgia, and Mrs. MEEK of Florida): A bill to establish a grant program administered by the Federal Elections Commission for the purpose of assisting States to upgrade voting systems to use more advanced and accurate voting devices and to enhance participation by military personnel in national elections; to the Committee on House Administration, and in addition to the Committee on Veterans' Affairs, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. LEVIN (for himself, Mr. SHAW, Mrs. JOHNSON of Connecticut, Mr. KILDEE, Ms. WATERS, Mr. MCHUGH, Mr. CAMP, Ms. LEE, Mr. FROST, Mr. UDALL of Colorado, Mr. KUCINICH, Mr. RYAN of Wisconsin, Mr. MCGOVERN, Mr. BARCIA, Mr. FILNER, Mr. MORAN of Virginia, Mr. MOAKLEY Mr. FOLEY, Mr. DOYLE, Ms. PRYCE of Ohio, Mr. HOUGHTON, Mr. EVANS, Mrs. THURMAN, Mr. WAXMAN, Mr. ETHERIDGE, Mr. WALSH, Mr. SAWYER, Mr. SIMMONS, Mr. BEREUTER, Mr. JEFFERSON, Ms. KILPATRICK, Mr. HORN, Ms. RIVERS, Mr. COYNE, Mr. BALDACCI, Ms. BALDWIN, Mr. FARR of California, Mr. ENGLISH, Mr. MATSUI, Mr. DINGELL, and Mr. TIERNEY):

H.R. 1483. A bill to amend the Internal Revenue Code of 1986 to make permanent the exclusion for employer-provided educational assistance programs, and for other purposes; to the Committee on Ways and Means.

By Mr. LEVIN (for himself, Mr. RANGEL, Mr. GEPHARDT, Mr. BONIOR, Mr. MATSUI, Mr. NEAL of Massachusetts, Mr. JEFFERSON, Mr. BECERRA, Mr. DOGGETT, Mr. TANNER, Mr. MORAN of Virginia, Ms. CARSON of Indiana, Mrs. TAUSCHER, Mr. MEEKS of New York, Mr. LANTOS, Mr. FRANK, Mr. HINCHEY, Mr. BERMAN, Mr. POMEROY, Mr. MCNULTY, Mr. MCDERMOTT, Mr. LEWIS of Georgia, and Mr. CARDIN):

H.R. 1484. A bill to implement the agreement establishing a United States-Jordan

free trade area; to the Committee on Ways and Means, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. LOBIONDO:

H.R. 1485. A bill to require that health plans provide coverage for a minimum hospital stay for mastectomies and lymph node dissection for the treatment of breast cancer and coverage for secondary consultations; to the Committee on Energy and Commerce, and in addition to the Committees on Education and the Workforce, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Ms. LOFGREN (for herself, Mr. HONDA, and Mr. PRICE of North Carolina):

H.R. 1486. A bill to amend the Internal Revenue Code of 1986 to encourage qualified conservation contributions by allowing an estate tax deduction for such contributions made by the heirs of the estate; to the Committee on Ways and Means.

By Ms. LOFGREN (for herself, Mrs. TAUSCHER, Ms. SANCHEZ, Mr. FARR of California, Ms. WOOLSEY, Mr. JEFFERSON, Mr. MATSUI, Ms. ESHOO, Mr. HONDA, Ms. HARMAN, Mr. BAIRD, Ms. PELOSI, Mr. SHERMAN, and Mr. MORAN of Virginia):

H.R. 1487. A bill to amend the Internal Revenue Code of 1986 to repeal the alternative minimum tax treatment of incentive stock options, thereby changing the taxable event from the exercise of the stock option to the sale of stock; to the Committee on Ways and Means.

By Mr. MARKEY (for himself, Mrs. MORELLA, Mr. TIERNEY, Mrs. MALONEY of New York, Mr. FRANK, Mr. DEFAZIO, Ms. EDDIE BERNICE JOHNSON of Texas, Ms. MCKINNEY, Mr. LANTOS, and Ms. CARSON of Indiana):

H.R. 1488. A bill to restore the jurisdiction of the Consumer Product Safety Commission over amusement park rides which are at a fixed site, and for other purposes; to the Committee on Energy and Commerce.

By Mr. MARKEY (for himself, Mrs. MORELLA, Mr. BRADY of Pennsylvania, Mrs. MALONEY of New York, Mr. GEORGE MILLER of California, Mr. OWENS, Mr. MCGOVERN, Mr. SANDERS, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. BROWN of Ohio, Mr. CUMMINGS, Ms. CARSON of Indiana, Mrs. JONES of Ohio, Mrs. MINK of Hawaii, Mrs. CHRISTENSEN, Mr. RUSH, Ms. WOOLSEY, Ms. MCKINNEY, Mr. LEWIS of Georgia, Mr. GREEN of Texas, Mr. NADLER, Ms. BALDWIN, Mr. CROWLEY, Mr. TOWNS, and Mr. SANDLIN):

H.R. 1489. A bill to amend certain Federal civil rights statutes to prevent the involuntary application of arbitration to claims that arise from unlawful employment discrimination based on race, color, religion, sex, national origin, age, or disability, and for other purposes; to the Committee on Education and the Workforce, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committees concerned.

By Mr. MARKEY (for himself, Mr. SMITH of New Jersey, Mr. KING, Mr. MCDERMOTT, Mr. HOLT, Mr. MATSUI, Mr. WAXMAN, Mr. BALDACCI, Mr. MEEHAN, Mr. HILLIARD, Mr. RILEY, Ms. SLAUGHTER, Mrs. MINK of Hawaii, Mr. KUCINICH, Mr. GUTIERREZ, Mr. BONIOR, Mr. SANDLIN, Ms. SCHAKOWSKY, Mr. DELAHUNT, Mr. GORDON, Mr. INSLEE, Mr. REYES, Mr. ANDREWS, and Mr. DEFAZIO):

H.R. 1490. A bill to amend title XVIII of the Social Security Act to clarify the definition of homebound with respect to home health services under the Medicare Program; to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. KNOLLENBERG:

H.J. Res. 43. Joint resolution expressing Congressional disapproval of a rule issued by the Department of Energy with respect to residential central air conditioners and heat pumps; to the Committee on Energy and Commerce.

H.J. Res. 44. Joint resolution expressing Congressional disapproval of a rule issued by the Department of Energy with respect to clothes washers; to the Committee on Energy and Commerce.

By Mr. ANDREWS (for himself, Mr. BILIRAKIS, Mr. MCGOVERN, Mrs. MORELLA, Ms. LEE, Mr. CAPUANO, Mr. BLAGOJEVICH, Mrs. MALONEY of New York, Mr. MCNULTY, Mr. ACKERMAN, and Mr. KNOLLENBERG):

H. Con. Res. 97. Concurrent resolution expressing the sense of the Congress regarding Turkey's claims of sovereignty over islands and islets in the Aegean Sea; to the Committee on International Relations.

By Ms. BERKLEY (for herself, Mrs. NAPOLITANO, Mr. STARK, Mr. ACKERMAN, Mr. HINCHEY, Ms. CARSON of Indiana, and Mr. HINOJOSA):

H. Con. Res. 98. Concurrent resolution expressing the sense of the Congress in support of National Children's Memorial Flag Day; to the Committee on Education and the Workforce.

By Mr. CONYERS (for himself, Ms. SCHAKOWSKY, Mr. TIERNEY, Ms. LEE, Mrs. CHRISTENSEN, Mr. BONIOR, Mr. KUCINICH, Mr. HILLIARD, Mr. HINCHEY, Mr. NADLER, Mr. PAYNE, Mr. FATTAH, Mr. DEFAZIO, Mr. LEWIS of Georgia, Ms. BALDWIN, Mrs. JONES of Ohio, Mr. FRANK, Mr. WAXMAN, Ms. MCKINNEY, Mr. LANGEVIN, Mr. GEORGE MILLER of California, Mr. HASTINGS of Florida, Mrs. MINK of Hawaii, Mr. OLVER, Mr. THOMPSON of Mississippi, Mr. STARK, Ms. CARSON of Indiana, and Mr. CAPUANO):

H. Con. Res. 99. Concurrent resolution directing Congress to enact legislation by October 2004 that provides access to comprehensive health care for all Americans; to the Committee on Energy and Commerce.

By Mr. DUNCAN:

H. Con. Res. 100. Concurrent resolution commending Clear Channel Communications and the American Football Coaches Association for their dedication and efforts for protecting children by providing a vital means for locating the Nation's missing, kidnapped, and runaway children; to the Committee on Education and the Workforce.

By Mr. ENGEL (for himself, Mr. ACKERMAN, Mr. LANTOS, Mr. WEINER, Mr. SHERMAN, Mr. ROHRABACHER, Mr. SMITH of New Jersey, Mr. KING, Mr. WICKER, and Mr. SAXTON):

H. Con. Res. 101. Concurrent resolution expressing the sense of Congress that the International Committee of the Red Cross should immediately recognize the Megen David Adom Society, and for other purposes; to the Committee on International Relations.

By Mr. LEACH (for himself and Mr. PAYNE):

H. Con. Res. 102. Concurrent resolution relating to efforts to reduce hunger in sub-Saharan Africa; to the Committee on International Relations.

By Mrs. MALONEY of New York:

H. Con. Res. 103. Concurrent resolution honoring The American Society for the Prevention of Cruelty to Animals for its 135 years of service to the people of the United States and their animals; to the Committee on Agriculture.

By Mr. SHOWS (for himself, Mr. SMITH of New Jersey, Mr. EVANS, Mr. ANDREWS, Mr. BACA, Mr. BACHUS, Mr. BALDACCI, Ms. BALDWIN, Mr. BARCIA, Mr. BARR of Georgia, Mr. BARTLETT of Maryland, Mr. BERMAN, Mr. BILIRAKIS, Mr. BOEHLERT, Ms. BROWN of Florida, Mr. BROWN of South Carolina, Mr. BROWN of Ohio, Mr. BUYER, Mr. CLEMENT, Mr. CONDIT, Mr. COSTELLO, Mr. CUMMINGS, Mr. DAVIS of Florida, Mrs. DAVIS of California, Mr. DINGELL, Mrs. EMERSON, Mr. FILNER, Mr. FOLEY, Mr. FOSSELLA, Mr. FROST, Mr. GIBBONS, Mr. GILCHREST, Mr. GRAVES, Mr. GREEN of Texas, Mr. GRUCCI, Mr. HALL of Texas, Ms. HART, Mr. HASTINGS of Florida, Mr. HAYWORTH, Mr. HILL, Mr. HINCHEY, Mr. HOLDEN, Mr. HUTCHINSON, Mrs. JONES of Ohio, Mr. JONES of North Carolina, Mrs. KELLY, Mr. KENNEDY of Rhode Island, Mr. KING, Mr. KIRK, Mr. KUCINICH, Mr. LAHOOD, Mr. LAMPSON, Mr. LANGEVIN, Mr. MALONEY of Connecticut, Mr. MCINTYRE, Ms. MCKINNEY, Mr. MCNULTY, Mr. MOORE, Mrs. NORTHUP, Mr. OSE, Mr. PALLONE, Mr. QUINN, Mr. REYES, Mr. RODRIGUEZ, Mr. ROHRABACHER, Ms. ROS-LEHTINEN, Mr. SAXTON, Mr. SIMMONS, Mr. SNYDER, Mr. SPENCE, Mr. STUPAK, Mr. TIERNEY, Mr. TURNER, and Mr. UDALL of New Mexico):

H. Con. Res. 104. Concurrent resolution expressing the sense of Congress that a commemorative postage stamp should be issued by the United States Postal Service honoring the members of the Armed Forces who have been awarded the Purple Heart; to the Committee on Government Reform.

By Mr. CALVERT (for himself, Mr. BOSWELL, Mr. BAIRD, Mr. CANNON, Mr. HERGER, Ms. HOOLEY of Oregon, Mr. MATSUI, Mr. LARSEN of Washington, Mr. WAMP, Mr. RADANOVICH, Mr. SMITH of Washington, Mr. NETHERCUTT, Mr. BERRY, Mr. DICKS, Mr. BACA, Mr. HUTCHINSON, Mr. MORAN of Kansas, Mr. BEREUTER, Mrs. TAUSCHER, Mr. LATHAM, Mr. MATHESON, Mr. CONDIT, Mrs. NORTHUP, Mr. OSE, Mr. EVANS, Mr. ROSS, Mr. WATTS of Oklahoma, Mr. SCHAFFER, Mr. SANDLIN, Mr. HILLEARY, Ms. BERKLEY, Mr. GILMAN, Mr. OSBORNE, Ms. DUNN, Mr. SESSIONS, Mr. INSLEE, Mrs. BONO, Mr. MCINNIS, Ms. SANCHEZ, Mr. MCDERMOTT, Mr. PETERSON of Pennsylvania, Mr. TIAHRT, Mr. SHOWS, Mr. LUCAS of Oklahoma, Ms. MCCARTHY of Missouri, Mr. UDALL of New Mexico, Mr. REYES, Mrs. EMERSON, Mr. GRAVES, Mr. HULSHOF, Mr. LEACH, Mr. GOODLATTE, Mr. THOMAS, Mr. HORN, Mr. POMBO, Mr. MCGOVERN, and Mr. SMITH of New Jersey):

H. Res. 114. Resolution recognizing the bravery, dedication, and commitment of Federal, State, county, city, and other law enforcement officers for their daily efforts in battling the use and production of methamphetamine; to the Committee on the Judiciary.

By Mr. GREEN of Texas (for himself, Mr. SANDERS, Mr. DICKS, Mr. BURTON of Indiana, Mr. BACHUS, Mr. HINCHEY, Mr. CLYBURN, Mr. DAVIS of Florida,

Mr. WAMP, Mr. LAHOOD, Mr. PRICE of North Carolina, Mr. BLUMENAUER, Mr. HOLT, Mr. DOYLE, Mr. GORDON, Mr. MORAN of Virginia, Mr. WATKINS, Mr. WICKER, Mr. FRANK, Mr. KINGSTON, Ms. HOOLEY of Oregon, Mr. BOUCHER, Mr. LUTHER, Mr. EHLERS, Mr. CASTLE, Mr. SERRANO, Mr. BALDACCI, Ms. MCCOLLUM, Mr. UPTON, Mr. COYNE, Mr. MCINTYRE, Mr. CLEMENT, Mr. SNYDER, Mr. GREENWOOD, Mr. GONZALEZ, Ms. CARSON of Indiana, Mr. BRADY of Pennsylvania, Mr. DEUTSCH, Mr. CRAMER, Mr. BLAGOJEVICH, and Ms. SLAUGHTER):

H. Res. 115. Resolution expressing the sense of the House of Representatives concerning health promotion and disease prevention; to the Committee on Energy and Commerce.

By Mr. HEFLEY (for himself, Ms. BALDWIN, Mr. BARR of Georgia, Mr. BARTLETT of Maryland, Mr. BERMAN, Mr. BONIOR, Mr. BORSKI, Mr. BROWN of Ohio, Mr. CASTLE, Mr. CLEMENT, Mr. COOKSEY, Mr. COSTELLO, Mr. CRAMER, Mr. EHRLICH, Mr. FERGUSON, Mr. FILNER, Mr. FRANK, Mr. FROST, Mr. GILMAN, Mr. GONZALEZ, Mr. HOLDEN, Mr. HORN, Mr. HYDE, Mr. INSLEE, Mr. ISSA, Mrs. JONES of Ohio, Mr. KENNEDY of Rhode Island, Ms. KILPATRICK, Mr. KING, Mr. KNOLLENBERG, Mr. KUCINICH, Mr. LANGEVIN, Mr. LANTOS, Ms. LOFGREN, Mr. MCGOVERN, Mr. MCHUGH, Mr. MCINNIS, Ms. MCKINNEY, Mr. MCNULTY, Mr. MOORE, Mr. NETHERCUTT, Mr. PASCRELL, Mr. PASTOR, Mr. RODRIGUEZ, Mr. ROYCE, Mr. SAXTON, Mr. SESSIONS, Mr. SIMMONS, Mr. SOUDER, Mr. STUPAK, Mr. SUNUNU, Mr. UDALL of Colorado, Mr. UDALL of New Mexico, Mr. WALSH, Mr. WOLF, and Mr. WYNN):

H. Res. 116. Resolution commemorating the dedication and sacrifices of the men and women of the United States who were killed or disabled while serving as law enforcement officers; to the Committee on Government Reform.

By Ms. LEE (for herself, Mr. WAXMAN, Ms. JACKSON-LEE of Texas, Mr. SANDERS, Mr. HASTINGS of Florida, Mr. WEXLER, Mr. FRANK, Ms. RIVERS, Ms. DELAURO, Mr. OLVER, Mr. NADLER, Mr. BALDACCI, Mr. SMITH of Washington, Mr. ALLEN, Mr. FILNER, Ms. NORTON, Mr. GEORGE MILLER of California, Mr. HINCHEY, Mr. PAYNE, Mr. LEWIS of Georgia, Ms. CARSON of Indiana, Ms. MCKINNEY, Ms. MCCOLLUM, Mr. DAVIS of Illinois, Mrs. MINK of Hawaii, Mr. HONDA, Mr. KUCINICH, Mr. RUSH, Ms. WOOLSEY, Mr. BERMAN, Ms. SCHAKOWSKY, Mr. UDALL of Colorado, Ms. BALDWIN, Ms. PELOSI, Mr. OWENS, Mr. STARK, Ms. SOLIS, Mr. PALLONE, Mr. FARR of California, Mr. MCGOVERN, Ms. ESHOO, and Mrs. THURMAN):

H. Res. 117. Resolution expressing the sense of Congress that the United States should develop, promote, and implement policies to reduce emissions of fossil fuel generated carbon dioxide with the goal of achieving stabilization of greenhouse gas emissions in the United States at the 1990 level by the year 2010; to the Committee on Energy and Commerce.

MEMORIALS

Under clause 3 of rule XII, memorials were presented and referred as follows:

15. The SPEAKER presented a memorial of the Legislature of the State of Kansas, relative to Resolution No. 1607 memorializing the United States Congress to encourage the development of a federal energy policy that considers all possible future sources of energy; to the Committee on Energy and Commerce.

16. Also, a memorial of the General Assembly of the Commonwealth of Virginia, relative to Resolution No. 651 memorializing the United States Congress to express its commitment to the principles represented by the Electoral College, for its embodiment of the well-balanced framework of this nation's state and federal governments, and for its role in assuring the preservation of the liberty enjoyed by all citizens; to the Committee on House Administration.

17. Also, a memorial of the General Assembly of the Commonwealth of Virginia, relative to Resolution No. 39 memorializing the United States Congress to support the Railroad Retirement and Survivors' Improvement Act in the 107th Congress; to the Committee on House Administration.

18. Also, a memorial of the Legislature of the State of Wyoming, relative to Resolution No. 4 memorializing the United States Congress to establish a Northern Rocky Mountain Grizzly Bear and Gray Wolf Management Trust to find management of these wildlife populations; to the Committee on Resources.

19. Also, a memorial of the General Assembly of the State of North Dakota, relative to Resolution No. 3031 memorializing the United States Congress to prepare and submit an amendment to the Constitution of the United States to add a new article providing as follows: ''Neither the Supreme Court nor any inferior court of the United States shall have the power to instuct or order a state or political subdivision thereof, or an official of such a state or political subdivision, to levy or increase taxes''; to the Committee on the Judiciary.

20. Also, a memorial of the House of Representatives of the State of Michigan, relative to Resolution No. 24 memorializing the United States Congress to enact legislation that offers a regional solution to the problems of nonindigenous species being released in the ballast water of ships on the Great Lakes; to the Committee on Transportation and Infrastructure.

21. Also, a memorial of the Senate of the Commonwealth of Massachusetts, relative to a Resolution memorializing the United States Congress to enact legislation to provide parity of benefits to all retired career military personnel; jointly to the Committees on Armed Services and Veterans' Affairs.

22. Also, a memorial of the House of Representatives of the State of Kansas, relative to Resolution No. 5011 memorializing the United States Congress to address, for rectification, the aforementioned concerns regarding the health care coverage of our retired military veterans and their immediate families; jointly to the Committees on Veterans' Affairs and Armed Services.

23. Also, a memorial of the Legislature of the State of Kansas, relative to Resolution No. 5011 memorializing the United States Congress to address, for rectification, the aforementioned concerns regarding the health care coverage of our retired military veterans and their immediate families; jointly to the Committees on Veterans' Affairs and Armed Services.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 1: Ms. GRANGER, Mr. FRELINGHUYSEN, Mr. MICA, and Mr. TIAHRT.

H.R. 10: Mr. WICKER.

H.R. 15: Mr. FLAKE, Mr. SHAYS, Mr. CANTOR, and Mrs. EMERSON.

H.R. 21: Mr. WATT of North Carolina.

H.R. 25: Mr. SANDERS and Mr. CROWLEY.

H.R. 31: Mr. BOUCHER and Mr. ADERHOLT.

H.R. 39: Mr. JOHN, Mr. BISHOP, Mr. STENHOLM, and Mr. BACA.

H.R. 40: Mr. CUMMINGS.

H.R. 41: Mr. PAUL, Mr. BLUMENAUER, and Mr. SCHAFFER.

H.R. 42: Mr. EDWARDS.

H.R. 46: Mrs. MEEK of Florida.

H.R. 96: Ms. HART.

H.R. 97: Mr. LATOURETTE, Mr. KILDEE, and Mr. ACKERMAN.

H.R. 99: Mr. STUMP.

H.R. 100: Mr. CRAMER and Mr. CALVERT.

H.R. 101: Mr. CRAMER and Mr. CALVERT.

H.R. 102: Mr. CRAMER and Mr. CALVERT.

H.R. 123: Mrs. EMERSON.

H.R. 134: Mr. RYAN of Wisconsin.

H.R. 144: Mr. KLECZKA.

H.R. 150: Mr. SHIMKUS and Mr. HYDE.

H.R. 168: Mr. OTTER.

H.R. 179: Mr. AKIN.

H.R. 228: Mr. BONIOR, Mr. LUTHER, Mr. PRICE of North Carolina, Ms. SLAUGHTER, and Mr. SPRATT.

H.R. 230: Mrs. THURMAN.

H.R. 236: Mr. LARGENT, Mr. HOBSON, Mr. WALDEN of Oregon, and Mr. TIAHRT.

H.R. 239: Mr. TOWNS, Ms. ROS-LEHTINEN, AND MR. WAXMAN.

H.R. 245: Mr. KILDEE, Mrs. THURMAN, and Mr. LAMPSON.

H.R. 280: Mr. WELDON of Pennsylvania and Mr. GIBBONS.

H.R. 281: Mr. HILLIARD and Mr. GRUCCI.

H.R. 285: Mr. SANDLIN.

H.R. 287: Mrs. LOWEY.

H.R. 298: Mr. KUCINICH.

H.R. 303: Ms. SANCHEZ, Mr. RUSH, Mr. BARR of Georgia, Mr. GILCHREST, and Mr. FALEOMAVAEGA.

H.R. 317: Mr. CRANE.

H.R. 322: Mr. PUTNAM and Mr. EHRLICH.

H.R. 323: Mr. GREEN of Texas and Mr. BARRETT.

H.R. 324: Mr. MCHUGH and Mr. SMITH of New Jersey.

H.R. 330: Mr. REHBERG.

H.R. 340: Mr. LANGEVIN.

H.R. 357: Mr. FRANK and Ms. MCCOLLUM.

H.R. 371: Mr. THOMPSON of Mississippi.

H.R. 379: Mr. BEREUTER and Mr. KELLER.

H.R. 415: Mr. HONDA.

H.R. 425: Ms. SCHAKOWSKY and Mr. RAMSTAD.

H.R. 435: Ms. SANCHEZ.

H.R. 436: Mr. HOUGHTON, Mr. UDALL of Colorado, Mr. BLUMENAUER, Mrs. ROUKEMA, Mr. CAMP, and Mr. RUSH.

H.R. 437: Mr. EHRLICH and Mr. COLLINS.

H.R. 439: Mr. FOLEY.

H.R. 440: Mr. STEARNS, Mr. RAHALL, Mr. COYNE, Mr. FOLEY, Mrs. MINK of Hawaii, and Mr. FRANK.

H.R. 442: Mr. FOLEY.

H.R. 457: Mr. LANGEVIN.

H.R. 459: Mr. ROTHMAN.

H.R. 460: Mr. HINCHEY and Ms. KAPTUR.

H.R. 478: Mr. CARSON of Oklahoma and Mrs. THURMAN.

H.R. 481: Ms. SANCHEZ.

H.R. 488: Mrs. NAPOLITANO.

H.R. 499: Mr. RANGEL.

H.R. 503: Mr. PENCE.

H.R. 507: Mr. RAHALL and Mr. DOOLITTLE.

H.R. 510: Mr. MOORE, Mr. PETERSON of Pennsylvania, and Mr. SANDLIN.

H.R. 516: Mr. REHBERG, Mr. BAIRD, and Mr. NUSSLE.

H.R. 525: Mrs. THURMAN.

H.R. 526: Mr. SCHIFF and Mr. DICKS.

H.R. 536: Mr. SMITH of New Jersey, Mr. HONDA, Mr. SANDLIN, Ms. MCKINNEY, and Mr. OBERSTAR.

H.R. 570: Mr. SANDLIN.
H.R. 572: Mr. FRANK, Ms. ROS-LEHTINEN, Mr. STUPAK, and Mr. HOSTETTLER.
H.R. 577: Mrs. THURMAN.
H.R. 582: Mr. RANGEL.
H.R. 600: Mr. BARCIA, Mr. SAWYER, Mr. SCHROCK, Mr. CROWLEY, Mr. BAIRD, Mr. PHELPS, Mr. SHOWS, Mr. LAFALCE, Mr. SMITH of Washington, Mr. OSBORNE, Mr. FERGUSON, Mr. LEWIS of Georgia, Mr. BACHUS, Mr. WAMP, and Mrs. NAPOLITANO.
H.R. 606: Mr. WU, Mr. ENGEL, Mr. KUCINICH, Mr. SIMMONS, and Mr. TOWNS.
H.R. 611: Mr. HOBSON, Mrs. DAVIS of California, Mr. SCHIFF, Mr. COYNE, Mr. HULSHOF, and Mr. BLAGOJEVICH.
H.R. 612: Mr. SCHIFF, Mr. PETERSON of Minnesota, and Mr. JENKINS.
H.R. 620: Mr. RANGEL.
H.R. 622: Mr. GEORGE MILLER of California, Mr. SAXTON, Mr. KILDEE, Ms. VELAZQUEZ, Mr. HILLEARY, Mr. CLYBURN, Mr. ABERCROMBIE, and Mr. DEAL of Georgia.
H.R. 633: Ms. MCKINNEY, Mr. HASTINGS of Florida, Mr. GANSKE, Mrs. LOWEY, Mr. LANGEVIN, and Mr. MORAN of Virginia.
H.R. 634: Mr. GRUCCI, Mr. PICKERING, Mr. PORTMAN, and Mr. REHBERG.
H.R. 647: Mr. TIAHRT, Mr. BOUCHER, Mr. SCHAFFER, and Mr. TOM DAVIS of Virginia.
H.R. 648: Mr. OSBORNE,
H.R. 661: Mrs. THURMAN.
H.R. 668: Mr. SAWYER, Mr. THOMPSON of California, Mr. SIMMONS, Ms. DUNN, Mr. FRELINGHUYSEN, Ms. SLAUGHTER, and Mr. STUPAK.
H.R. 683: Mr. BLUMENAUER.
H.R. 686: Mr. STUPAK.
H.R. 687: Mr. SANDLIN.
H.R. 692: Mr. KIND.
H.R. 698: Ms. SCHAKOWSKY and Ms. MCKINNEY.
H.R. 701: Mr. MCDERMOTT, Mr. WATTS of Oklahoma, Ms. RIVERS, Mrs. BONO, Ms. VELAZQUEZ, Mr. NEY, Mr. PASTOR, Mr. LAHOOD, Mr. GORDON, Mr. SMITH of New Jersey, Mr. HEFLEY, Mr. ACEVEDO-VILA, Mr. KENNEDY of Rhode Island, Mr. SKELTON, Mr. ISAKSON, Mrs. LOWEY, Mr. LUCAS of Kentucky, Mr. SANDERS, Mr. UDALL of New Mexico, Mr. RODRIGUEZ, Mr. SIMMONS, Mr. BRADY of Texas, Ms. CARSON of Indiana, Mr. SCHIFF, Mr. QUINN, Mr. BISHOP, Mr. GOSS, Mr. MCGOVERN, Mr. BORSKI, Mr. GEKAS, Mr. MCINNIS, Mr. BENTSEN, Mr. CAMP, Mr. SAWYER, Mr. FROST, Mr. BONIOR, Mrs. CAPPS, Mr. GREEN of Texas, Mr. MOAKLEY, Mr. RANGEL, Mr. UPTON, and Mr. LEACH.
H.R. 717: Mr. SMITH of Texas, Mr. LUCAS of Oklahoma, Mr. ADERHOLT, Mr. PLATTS, Mr. GIBBONS, Mr. SERRANO, Mr. EVERETT, Mr. COLLINS, Mr. GILCHREST, Mrs. CUBIN, Mr. CAMP, Mr. BASS, Mr. BALLENGER, Mr. CANTOR, Mr. BRADY of Texas, Mr. CULBERSON, Mr. KIND, Ms. SANCHEZ, Mr. RAMSTAD, Mr. WAXMAN, Mr. LUTHER, Ms. MCCOLLUM, and Mr. SUNUNU.
H.R. 721: Ms. VELAZQUEZ, Mr. TRAFICANT, Mr. SANDLIN, Mr. ROTHMAN, Mr. LEACH, Mr. CLEMENT, Mr. DOYLE, Mr. GILMAN, Mr. RUSH, Mr. LAMPSON, Mr. ACEVEDO-VILA, Mr. BRADY of Pennsylvania, and Mr. LEWIS of Georgia.
H.R. 730: Mr. STUPAK.
H.R. 737: Mr. RYAN of Wisconsin and Ms. BALDWIN.
H.R. 742: Ms. RIVERS and Mr. FARR of California.
H.R. 746: Mr. BROWN of South Carolina, Mr. MCDERMOTT, and Mr. BUYER.
H.R. 747: Ms. SANCHEZ and Ms. SOLIS.
H.R. 752: Mr. GORDON.
H.R. 755: Mr. GREEN of Texas, Mr. BARRETT, Mrs. CAPPS, Mr. MARKEY, and Mr. LUTHER.
H.R. 758: Mr. LANGEVIN.
H.R. 761: Mr. MCNULTY, Mr. ACEVEDO-VILA, and Mr. BALDACCI.
H.R. 762: Ms. SANCHEZ.
H.R. 764: Mr. FOLEY.
H.R. 765: Mr. BERMAN and Mrs. MINK of Hawaii.
H.R. 777: Mr. SHIMKUS.
H.R. 781: Mr. KIND and Mr. HOEFFEL.
H.R. 782: Mr. SMITH of New Jersey and Mr. SHAYS.
H.R. 783: Mr. SCHAFFER.
H.R. 791: Mr. HASTERT, Mr. SHIMKUS, Mr. PHELPS, and Mr. HYDE.
H.R. 792: Mr. SPENCE, Mr. RUSH, and Mr. LEWIS of Georgia.
H.R. 795: Mrs. LOWEY.
H.R. 804: Mrs. THURMAN.
H.R. 808: Mr. DELAHUNT, Mr. GEPHARDT, and Mr. ADERHOLT.
H.R. 817: Ms. BALDWIN.
H.R. 827: Mr. FILNER.
H.R. 830: Mr. TIAHRT, Mr. GRAHAM, Mr. PUTNAM, Mr. PLATTS, Mr. SAXTON, and Mr. RILEY.
H.R. 840: Mr. ISAKSON, Mr. UDALL of Colorado, Mr. KUCINICH, Ms. PELOSI, and Mr. SHAYS.
H.R. 848: Mr. BLUNT, Mr. FOLEY, Mr. OWENS, Ms. ROYBAL-ALLARD, Ms. MCCOLLUM, Ms. VELAZQUEZ, Mr. TRAFICANT, and Mr. KILDEE.
H.R. 850: Mr. BARCIA, Mr. SOUDER, Mr. MCINTYRE, and Mr. GRUCCI.
H.R. 853: Mrs. LOWEY.
H.R. 868: Mr. LANGEVIN, Mr. OSE, Mr. MOAKLEY, Mr. LUCAS of Oklahoma, Mr. BAIRD, Mr. RILEY, Mr. HERGER, Mr. YOUNG of Alaska, and Mr. GRAHAM.
H.R. 869: Mr. OXLEY, Mr. SCHIFF, Mr. DOOLEY of California, and Mrs. BIGGERT.
H.R. 876: Mrs. JOHNSON of Connecticut and Mr. BENTSEN.
H.R. 877: Mr. GILLMOR and Mr. HOBSON.
H.R. 883: Mr. HASTINGS of Washington.
H.R. 902: Mr. GORDON, Mrs. JO ANN DAVIS of Virginia, Ms. ROS-LEHTINEN, and Mr. SMITH of New Jersey.
H.R. 918: Mr. ROGERS of Michigan, Mr. MORAN of Virginia, Mr. DEFAZIO, and Mr. ALLEN.
H.R. 920: Mr. DAVIS of Illinois.
H.R. 933: Ms. EDDIE BERNICE JOHNSON of Texas, Mr. THOMPSON of Mississippi, Mr. SANDLIN, and Mr. LANGEVIN.
H.R. 938: Mr. WYNN, Mr. WAXMAN, and Mrs. MORELLA.
H.R. 951: Mr. GRAHAM.
H.R. 959: Mr. LANTOS, Mr. CALVERT, and Mr. BERMAN.
H.R. 967: Mr. BRADY of Pennsylvania, Mr. TIERNEY, Mr. OBERSTAR, Mr. MCINTYRE, Mrs. LOWEY, Mr. EVANS, Mr. NADLER, Mr. DOYLE, Mr. GUTIERREZ, Ms. SCHAKOWSKY, Mr. SMITH of New Jersey, Mrs. MORELLA, Mr. GILLMOR, and Mr. EHLERS.
H.R. 968: Mr. GILCHREST, Ms. HOOLEY of Oregon, Mr. MASCARA, Mr. ROSS, Ms. MCKINNEY, Mr. PLATTS, Mr. LAHOOD, Mr. CALVERT, Mr. GILLMOR, Mr. RAHALL, Mr. MCINTYRE, Mr. PICKERING, Mrs. JONES of Ohio, and Mrs. THURMAN.
H.R. 971: Mr. BAIRD.
H.R. 975: Mr. CARSON of Oklahoma, Mr. LATHAM, Mr. SHOWS, Mr. NADLER, and Mr. HILLIARD.
H.R. 978: Mr. FROST, Mr. LAHOOD, Mr. GREEN of Wisconsin, Mrs. THURMAN.
H.R. 984: Mr. HULSHOF, Mr. GRAVES, and Mr. PLATTS,
H.R. 985: Ms. KILPATRICK.
H.R. 986: Mr. BLUNT.
H.R. 990: Mr. OLVER
H.R. 993: Mr. SCHAFFER.
H.R. 999: Mr. KUCINICH.
H.R. 1007: Mr. BOEHLERT and Mr. LANGEVIN.
H.R. 1011: Mr. DAVIS of Illinois, Mr. BARCIA, Mr. FILNER, Mr. GORDON, Mr. OSBORNE, Mr. RUSH, and Mr. MCKEON.
H.R. 1016: Mrs. THURMAN.
H.R. 1018: Mr. MILLER of Florida.
H.R. 1020: Mr. DUNCAN, Mr. BISHOP, Mr. YOUNG of Alaska, Mr. HOUGHTON, and Mr. GOODE.
H.R. 1030: Mr. UDALL of Colorado.
H.R. 1035: Mrs. MORELLA, Ms. DELAURO, Mr. HINCHEY, and Ms. HARMAN.
H.R. 1037: Mr. TOOMEY, Mr. FOLEY, Mr. TERRY, and Mrs. CAPITO.
H.R. 1066: Mr. HONDA.
H.R. 1073: Mr. LANGEVIN, Mr. STUPAK, Mr. SCHIFF, and Mrs. THURMAN.
H.R. 1076: Mr. BONIOR, Ms. JACKSON-LEE of Texas, Mrs. LOWEY, Mrs. CLAYTON, Mr. VISCLOSKY, Mr. THOMPSON of California, Mr. EVANS, Ms. PELOSI, Mr. CLEMENT, Mr. WU, Ms. WOOLSEY, Mrs. MEEK of Florida, Ms. SLAUGHTER, Mr. TIERNEY, Mr. BORSKI, Mr. RAHALL, Mr. GONZALEZ, Mr. DOYLE, and Mr. WEINER.
H.R. 1084: Mr. BARRETT and Mrs. THURMAN.
H.R. 1086: Mr. BARRETT.
H.R. 1092: Mr. MCGOVERN, Mr. GREENWOOD, Mr. SHIMKUS, Mr. MCNULTY, Mr. COSTELLO, Mr. GILLMOR, Mr. MOORE, Mr. BALDACCI, Mr. PAUL, Ms. CARSON of Indiana, and Mr. STUPAK.
H.R. 1093: Mr. JOHNSON of Illinois, Mr. GILLMOR, Mr. SHIMKUS, Mr. HINCHEY, and Mr. SOUDER.
H.R. 1094: Mr. JOHNSON of Illinois, Mr. GILLMOR, Mr. SHIMKUS, Mr. HINCHEY, and Mr. SOUDER.
H.R. 1096: Mr. WATKINS, Mrs. MINK of Hawaii, and Mr. SANDLIN.
H.R. 1097: Mr. ANDREWS, Mrs. ROUKEMA, and Mr. HOEFFEL.
H.R. 1101: Mr. FOSSELLA and Mr. COOKSEY.
H.R. 1111: Mrs. MALONEY of New York and Mr. MALONEY of Connecticut.
H.R. 1121: Mr. MCHUGH.
H.R. 1128: Mr. SCHAFFER.
H.R. 1140: Mr. WOLF, Mr. HINCHEY, Mr. SESSIONS, Mr. INSLEE, Mr. CHAMBLISS, Mr. ROSS, Mr. SHERWOOD, Mrs. MALONEY of New York, Mr. NORWOOD, Mr. WU, Ms. DUNN, Mr. OWENS, Mr. CAMP, Mr. KIND, Mr. HYDE, Mr. MOORE, Mr. JONES of North Carolina, Mr. BENTSEN, Mr. JENKINS, Mr. DICKS, Mr. GUTKNECHT, Mr. ABERCROMBIE, Mr. CALLAHAN, Mr. MORAN of Virginia, Mr. SKEEN, Ms. SCHAKOWSKY, Mr. CASTLE, Mr. LAFALCE, Mr. BASS, Mr. SCOTT, Mr. LINDER, Ms. JACKSON-LEE of Texas, Mr. GRAHAM, Mr. PHELPS, Mrs. CUBIN, Mr. TOWNS, Mr. ROGERS of Kentucky, Mr. LEWIS of Georgia, Mr. AKIN, Mr. SABO, Mr. GEKAS, Mr. EDWARDS, Mr. OXLEY, Ms. BALDWIN, Mr. KELLER, Mr. GONZALEZ, Mr. HULSHOF, Mr. JEFFERSON, Mr. GIBBONS, Mr. BAIRD, Mr. ROEMER, Mr. THOMPSON of Mississippi, Mr. GUTIERREZ, Mr. FILNER, Mr. HASTINGS of Florida, Mr. GREEN of Texas, Mr. CONDIT, Mr. LAMPSON, Mr. JOHN, Mr. LANTOS, Mr. BROWN of Ohio, Mr. HOLT, Mr. MOAKLEY, Mr. BRADY of Pennsylvania, Mr. RODRIGUEZ, Mr. DAVIS of Florida, Mr. STARK, Mr. LUCAS of Kentucky, Mr. WATT of North Carolina, Mr. EVANS, Ms. LEE, Mrs. MINK of Hawaii, Mr. BISHOP, Mr. COYNE, Mr. SPRATT, Mr. THOMPSON of California, Mr. GEORGE MILLER of California, Mr. STRICKLAND, Mr. STUPAK, Mr. KENNEDY of Rhode Island, Ms. CARSON of Indiana, Mr. BACA, Mr. HILLIARD, Mr. OLVER, Mr. HILL, Mr. MCDERMOTT, Mr. FRANK, Mr. BERMAN, Ms. SLAUGHTER, Mr. CLYBURN, Mr. LANGEVIN, Mr. KUCINICH, Mr. BECERRA, Mr. MARKEY, Mr. CROWLEY, Mr. WEINER, Mr. SAWYER, Mr. DEUTSCH, Mr. PRICE of North Carolina, Mr. CAPUANO, Mr. FORD, Mr. MCINTYRE, Mr. ROTHMAN, Mr. ENGEL, Mr. PASCRELL, and Mr. ORTIZ.
H.R. 1151: Ms. MCKINNEY, Mr. THOMPSON of Mississippi, Mr. ABERCROMBIE, Mr. WEXLER, and Ms. BALDWIN.
H.R. 1170: Mr. GREEN of Texas.
H.R. 1171: Mr. SKEEN, Mr. ISAKSON, Mr. LEWIS of Kentucky, and Mr. PETERSON of Minnesota.
H.R. 1172: Ms. JACKSON-LEE of Texas, Mr. HALL of Ohio, Ms. SOLIS, Mr. SMITH of Texas, Mr. BAKER, Mr. CRAMER, Mr. COOKSEY, Mr. CAPUANO, and Mr. KINGSTON.

H.R. 1174: Mr. DOOLITTLE.
H.R. 1182: Mr. FROST and Mr. RYAN of Wisconsin.
H.R. 1185: Ms. WATERS.
H.R. 1194: Ms. BALDWIN, Mr. KLECZKA, Ms. WOOLSEY, and Mr. SANDERS.
H.R. 1201: Mr. CARSON of Oklahoma.
H.R. 1202: Mr. MCHUGH, Mr. ABERCROMBIE, Mr. KENNEDY of Rhode Island, Mrs. CAPPS, Mr. LANGEVIN, and Mrs. ROUKEMA.
H.R. 1210: Mr. GONZALEZ.
H.R. 1212: Mr. HYDE.
H.R. 1213: Mr. WOLF, Mr. ROEMER, Mr. CAMP, Mr. BORSKI, Mr. TAYLOR of Mississippi, Mr. HOSTETTLER, Mr. SMITH of Michigan, and Mr. COYNE.
H.R. 1214: Mr. WOLF, Mr. BORSKI, Mr. TAYLOR of Mississippi, and Mr. HOSTETTLER.
H.R. 1220: Mr. SMITH of Texas.
H.R. 1238: Mr. HUTCHINSON and Mr. HAYWORTH.
H.R. 1242: Ms. LOFGREN and Mrs. LOWEY.
H.R. 1252: Mr. HASTINGS of Florida, Mr. NADLER, Mrs. JONES of Ohio, Mr. LEWIS of Georgia, Mr. FILNER, Mrs. DAVIS of California, Ms. MILLENDER-MCDONALD, Mr. LANTOS, Mr. KENNEDY of Rhode Island, Mr. SERRANO, Mr. BALDACCI, Mr. NEAL of Massachusetts, Mr. OLVER, Mr. INSLEE, and Mrs. THURMAN.
H.R. 1254: Mr. NADLER.
H.R. 1255: Mr. NADLER, Mr. CUMMINGS, Ms. ESHOO, Mrs. MINK of Hawaii, and Mrs. THURMAN.
H.R. 1256: Mr. MCGOVERN, Mr. DEFAZIO, Mr. LANGEVIN, Mr. HINCHEY, Mr. CROWLEY, Ms. ROYBAL-ALLARD, Mr. SERRANO, Mr. WEINER, Mr. BECERRA, Ms. DELAURO, and Mr. DAVIS of Florida.
H.R. 1275: Ms. WOOLSEY, Mr. BONIOR, Mr. MARKEY, Mr. SIMPSON, Mr. ABERCROMBIE, Mr. BALDACCI, Mr. DOOLEY of California, Ms. DEGETTE, Ms. SLAUGHTER, Mr. RAMSTAD, and Ms. BERKLEY.
H.R. 1280: Mr. STUPAK.
H.R. 1291: Mr. WELDON of Pennsylvania and Mr. DOYLE.
H.R. 1293: Mr. BUYER, Mrs. KELLY, Mr. FOLEY, and Mr. BALDACCI.
H.R. 1296: Mr. ROYCE, Mr. PITTS, Mr. COOKSEY, Mr. GANSKE, Mr. LATOURETTE, Ms. HART, Mr. CUMMINGS, Mr. CONYERS, Mr. GILLMOR, Mr. POMEROY, Mr. TOOMEY, Mrs. WILSON, Mr. BURR of North Carolina, Mr. HORN, Mr. BLUNT, Mr. JONES of North Carolina, Mr. SUNUNU, and Mr. EHRLICH.
H.R. 1299: Mr. GRAHAM.
H.R. 1301: Mr. PORTMAN.
H.R. 1304: Ms. HART, Mr. DAVIS of Illinois, and Mr. CLEMENT.
H.R. 1305: Mr. ABERCROMBIE, Mr. BACHUS, Mr. CANTOR, Mr. CRANE, Mrs. EMERSON, Mr. GREEN of Wisconsin, Mr. ISSA, Mr. PLATTS, Mr. TAUZIN, Mr. RODRIGUEZ, and Mr. TIAHRT.
H.R. 1316: Mr. HINCHEY, Ms. DEGETTE, and Mr. PETRI.
H.R. 1331: Ms. MCKINNEY, Mr. DEMINT, and Mr. SCHAFFER.
H.R. 1340: Ms. CARSON of Indiana.
H.R. 1343: Mr. STUPAK and Mr. FATTAH.
H.R. 1348: Mr. RAMSTAD.
H.R. 1350: Mr. ENGEL, Mr. GUTIERREZ, Mr. HILLIARD, Mr. KIND, Ms. PELOSI, and Ms. SLAUGHTER.
H.R. 1351: Mr. REYES, Mrs. KELLY, Mr. HOBSON, Mr. STUPAK, and Mr. JENKINS.
H.R. 1354: Mr. WALSH.
H.R. 1357: Mrs. THURMAN.
H.R. 1365: Mr. BERMAN.
H.R. 1371: Mr. CARDIN.
H.R. 1375: Mr. SANDLIN.
H.R. 1377: Mr. SCHROCK, Mr. HAYES, and Mr. GRAHAM.
H.J. Res. 13: Mr. GUTIERREZ and Mr. DAVIS of Illinois.
H.J. Res. 36: Mr. POMEROY.
H.J. Res. 41: Mr. TIAHRT, Mr. CHABOT, Mr. KELLER, Mr. ISSA, and Mr. FLAKE.
H.J. Res. 42: Mr. PASCRELL, Mr. DAVIS of Illinois, Mrs. LOWEY, Mr. GRUCCI, and Ms. LOFGREN.
H. Con. Res. 3: Ms. MCKINNEY, Ms. LEE, Mr. SERRANO, Ms. ROYBAL-ALLARD, and Mr. BACA.
H. Con. Res. 9: Mr. MCDERMOTT.
H. Con. Res. 12: Ms. BALDWIN.
H. Con. Res. 25: Mr. HILL.
H. Con. Res. 45: Mr. TIAHRT, Mr. TERRY, Mr. SIMMONS, Mr. OXLEY, Mr. SOUDER, and Mr. PRICE of North Carolina.
H. Con. Res. 52: Mr. BROWN of Ohio and Mr. FRANK.
H. Con. Res. 60: Mr. WEXLER.
H. Con. Res. 63: Mr. LUTHER, Mr. WEXLER, and Ms. BALDWIN.
H. Con. Res. 67: Mr. HINCHEY and Mr. SOUDER.
H. Con. Res. 68: Ms. KAPTUR, Mr. HAYWORTH and Mr. ROHRABACHER.
H. Con. Res. 91: Mr. ROTHMAN.
H. Con. Res. 94: Mr. GONZALEZ, Mrs. NAPOLITANO, Ms. SANCHEZ, Mr. WATT of North Carolina, and Mr. REYES.
H. Res. 17: Mr. BROWN of Ohio and Mr. HOLT.
H. Res. 18: Mr. FROST, Mr. DELAHUNT, Mr. SMITH of Washington, Mrs. MINK of Hawaii, and Mr. HILLIARD.
H. Res. 72: Mrs. MALONEY of New York and Mr. COYNE.
H. Res. 87: Ms. WOOLSEY, Mr. WALDEN of Oregon, Mrs. CLAYTON, Mr. PRICE of North Carolina, Mr. BLUMENAUER, and Mr. RUSH.
H. Res. 97: Ms. MCCARTHY of Missouri, Mr. CLAY, Mr. GUTIERREZ, Ms. SLAUGHTER, Mr. HONDA, and Mr. JACKSON of Illinois.
H. Res. 106: Mr. HOYER, Mr. LANGEVIN, and Mr. CROWLEY.
H. Res. 112: Ms. KAPTUR, Mr. HILLIARD, Mr. TERRY, and Ms. CARSON of Indiana.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 7 of rule XII, sponsors were deleted from public bills and resolutions as follows:

H.R. 877: Mr. WAMP.
H.R. 1076: Mr. PAUL.
H.R. 1187: Mr. SANDERS.