

think this is an area that we can commit ourselves to working in a bipartisan way. I can think of no more positive aspect for claiming the true purpose and spirit of Earth Day than acting to make sure that the Federal Government is doing all it can in this important area.

Mr. PALLONE. Madam Speaker, if the gentleman will yield a little time, I would say this. The gentleman from Oregon talked about optimism. I am going to be optimistic in the last thing that I say here this evening. When I mentioned over the weekend to my children who are fairly young, I have a daughter who is 7 and a son who just turned 6 and another daughter who is 3, and when I mentioned to them that it was Earth Day on Sunday, of course they got all excited about it.

But it really dawned on me that they are all in school in some way, either school or preschool at this point. I have watched over the last few years that they just have an incredible sort of environmental consciousness, more so than I do. I do not think it comes from me. I think it mostly comes from what they learn in school and what they see on TV. They remind me that one has to recycle this or that. They talk about the ocean and how it has got to be kept clean. They participated in a couple of cleanups that we have at this time of year, either along the beach or in some of the wooded areas.

So I mean there are many things that came out of Earth Day since 1970, the last 31 years, but I think maybe the most important thing is the education aspect that people, particularly the younger generation, younger than me, are very environmentally conscious. We talk about how younger people maybe are not as conscious or politically conscious, but I definitely believe that they are environmentally conscious.

So I just think that any effort to try to turn back the clock on the environmental movement is ultimately doomed to failure. So that is my optimism, and I know that we are here to make sure it is not doomed to failure, and we are going to keep it up.

Mr. BLUMENAUER. Indeed.

#### ECONOMY, ENERGY, AND THE DEATH TAX

The SPEAKER pro tempore (Mrs. JO ANN DAVIS of Virginia). Under the Speaker's announced policy of January 3, 2001, the gentleman from Colorado (Mr. MCINNIS) is recognized for 60 minutes as the designee of the majority leader.

Mr. MCINNIS. Madam Speaker, good evening. Welcome back to Washington. As my colleagues know, we have all had about a 2-week recess. I spent my recess back in the district going around, as many of my colleagues have done, to town meetings, talking with people on the street and talking with the different interest groups out in our district and taking kind of a general overview of several things.

One of them of course is our economy. I had plenty of opportunity to discuss with people our economy.

I also discussed with many of my constituents our situation with the energy crisis that we are coming upon. As many of my colleagues know from their own constituents, we have seen gasoline prices just explode in the last couple of weeks.

Then of course I heard from a number of people in regards to the death tax. I went out firsthand and again witnessed the punitive action that the estate tax, the death tax, has worked upon people of this country, that has worked upon people of my district, the devastating results of people who have already paid their tax, who have the unfortunate situation of a death in their family, and here comes Uncle Sam to finish the devastation as if the family had not had enough.

So I want to visit about these three issues tonight, about the economy, about energy, and about the death tax.

Let me start off, first of all, talking on the economy. We have seen a lot of criticism lately about President Bush. I was listening to public radio. I listen to public radio quite a bit. I was driving in my district. Now, mind you, my district is larger geographically than the State of Florida so I do a lot of drive time in my district. I was listening to public radio. It is interesting. One of the commentators on public radio or one of the guests on public radio was talking very critically of President Bush and how he has soured the economy. President Bush has been in office, what, 12, 13 weeks. President Bush was handed this bad economy.

Now, this economy could get a lot worse if we do not do something pretty quickly. Frankly, I think the responsibility to do something about this economy falls to some extent on our shoulders in these Chambers. It falls to also an extent on the shoulders of the President of the United States. I do not think this President has shunned that responsibility. In fact I think President Bush has stood up to the challenge. He started off by proposing a tax cut.

Let me tell my colleagues this tax cut that the President has proposed, let us put it in its proper proportions. The President has proposed over a 10-year period, not a 1-year period, over a 10-year period, a \$1.6 trillion tax reduction. Now in addition to that, what he said is that this tax reduction should benefit the people who pay taxes. It is not a welfare program intended to go to people who do not pay taxes. It is a tax reduction program intended to be more equitable and fair to the taxpayer of this country.

As all of my colleagues and I know in these Chambers, we do not earn that money. We do not go out and create capital. We do not come up and figure out a better idea or a better mousetrap. All we do is go out to those people who toil, who come up with a better mousetrap, who come up with a better idea, all we do is go out, reach into

their pockets, and tax them. That is where the revenue in here comes.

When we have reached too deep into their pocket, which we have done over the last few years, do not my colleagues think they ought to be considered? That is what this tax cut does. It considers that. It says, if one is a taxpayer, we think there ought to be a little something in it for one. Now, one does not get the whole piece of pie. That would be much too imaginative for someone to think that, when the government taxes one, one is going to get a big chunk of the pie as a taxpayer. But the President has said one deserves a part of the pie.

Now, what part of the pie is that. Over the next 10 years, to put this in proportion, over the next 10 years, and the estimates vary a little bit, but approximately there is going to be \$33 trillion coming to the government from these people out there, the taxpayers, the citizens of this country who go to work every day, who come up with a better idea, who put in their shifts, who pay their taxes fairly and pay their taxes on a timely basis. \$33 trillion will be gathered from those people in the next 10 years.

Of that, if we take a look at the spending that we now have, we take a look at the spending that is forecast, our guess is we are going to spend about \$28 trillion of that.

So if we have about \$33 trillion, and we are going to spend about \$28 trillion, that leaves us about \$5 trillion in surplus. Of that, the President has asked for 1.6, \$1.6 trillion. About a third of that goes back to the taxpayer. Now is that too much to ask?

When I was out there visiting with my constituents over this last recess, I do not think my constituents thought that was too much to ask. In fact, I found my constituents saying, how do you justify the level of taxation that you have placed upon us, especially when we talk about things like the marriage penalty, especially when we talk about things like the death tax. Are we getting a bang for our dollar back there in Washington, D.C., Mr. Congressman? That is what those people wanted to know.

Now as we know, the President's tax policy is a long-term policy. This plan was designed when he was running for President. It has been fine-tuned since he has been elected to President. But as we know, we also need, on top of that, we may need an additional stimulant to put into the economy.

In order for us to avoid a downward or a spiral so to speak that gets out of control and takes this economy into a recession, we need to come up with a strategy. That strategy really is multi-leveled.

The first level of that strategy is the President's tax reduction, and everybody in these Chambers ought to be giving serious consideration to it. I would tell my colleagues, especially the liberal side of the Democratic Party that opposed any kind of tax reduction, then came out with their

Presidential candidate, and I think the gentleman proposed a \$400 billion tax reduction. Then the next level was \$600 billion. My guess is that before this is over, especially in light of the current economic situation, that even the liberal Democrats are going to have to step forward; they are going to have to step forward and help us institute a tax credit or a tax reduction back into this economy. We have got to get some stimulation.

On top of that, if this economy continues to sour on us, I think there is a very justifiable basis for a capital gains reduction; and many, many millions and millions of people in this country will benefit almost immediately from a reduction in capital gains taxation, say, from 20 percent down to about 15 percent.

So the first strategy that we need to invoke to take on this souring economy is some type of tax reduction.

Now, some of my constituents actually were swayed by this; they have been swayed by the argument that leaves the money in Washington, D.C., that all of us sitting in these Chambers will leave our hands off it. As I said in countless meetings, it is like leaving a jar of Girl Scout cookies in the room with me, and I am hungry, and telling me not to touch them while you go out for a couple of days. Of course they are going to get eaten. Any money left in Washington, D.C., I guarantee you, do not let them try to persuade you that it will go to additional expenditures like education.

□ 2115

This money will be utilized to provide more pork. This money is being heavily lobbied for right now, as we speak, by special interests in this city. Throughout the rest of America where you are providing these tax dollars for the city of Washington, D.C., where your Federal Government is located, I can assure you that a lot of those tax dollars are funding, in fact, lobbyists of special interest organizations who want to spend those dollars.

Do you think there are a lot of people in Washington, D.C. that want to see the taxpayer get some of those dollars back? Of course they do not. They want to take those dollars and enhance their special interests. And they know that in order to convince the American public that those dollars ought to stay in Washington, D.C., instead of a small fraction of those dollars going back to the people that paid them and sent them here to Washington, D.C., in order to do that, they put up very persuasive marketing efforts. Do not kid yourself; they are not going to come out to the taxpayers in Colorado or Wyoming or Utah or California or Washington; they are not going to come out to those taxpayers and say, "Hey, we've got a bad program in Washington, D.C. we want you to fund. We want to buy drunks a new car or we want to tear down the forest with a bunch of money." That is not what these programs are like.

These programs sound good, education, this, that, motherhood and apple pie. Frankly one of the problems we face back here is a lot of these programs are in fact good. But the reality of the situation is, we do not usually have a lot of choices between good and bad programs back here in Washington. Our choices are generally between good programs and good programs, and it is a tough decision. But we, in fact, have to say no. We cannot fund everything that comes into our office.

As many of my colleagues know on a daily basis, we have requests for lots and lots of money. We have got to take a serious look. We have got to tighten our belts just like everybody else, just like the working families of America have to tighten their belts with this economy beginning to slow down as it has.

So the first strategy, the first layer of that multilayered strategy that we must put into place is some type of tax cut that means something. While we are on that point, do not send out a \$300 billion tax cut to the American taxpayers. That does not do any good for the economy. You have got to have a tax reduction that means something. You have got to have something like a capital gains reduction that means something, getting rid of the marriage tax, which means something out there, eliminating the death tax which means something out there. A tax cut that reduces the liability of the taxpayer, not the person that does not pay taxes but of the taxpayer; make it mean something. That is how your first layer of a tax cut will help impact this economy in a positive fashion.

The second thing we have got to see happen, and it is happening as we speak, is reduction of the interest rate. Now, Alan Greenspan and the Fed surprised everyone last week with a half a percent reduction in the prime lending rate, in the prime rate that the Feds put out. Why is that a surprise? Why do you think it was handled over a telephone call? Why do you think it was unexpected? Because the Feds, they sense we have got problems ahead and we need to address it now and we need to put stimulation into the economy now. So those interest rates are going to have to come down again.

But how much more room do we have on the interest rates? You can continue to lower the rates, but at some point the lending institutions in this country have to have a margin. They cannot loan at zero. Who is going to put their money out there to loan it at 2 percent where it has got risk? So at some point the banks, instead of loaning at prime, will have to loan at prime plus 1 or prime plus 1½, et cetera. So the advantage of the reduction in rates can only go so much further. But so far I think Greenspan is doing a good job.

Now, some will say he should have done it 6 months ago. But I can tell you 6 months ago, a lot of people were thinking that everything Greenspan was doing was perfect. So in the world

of finance, hindsight is always perfect. The fact is, Alan Greenspan is participating, he is addressing this thing I think in a fashion that will help us slow down this slowdown or level off this slowdown and put us back into a recovery stage.

The third step that we have to take on this multilayered strategy is that we have got to control spending. We cannot allow the government to continue to spend as we spent last year. The 11 percent, 12 percent spending rate, which by the way is a much higher spending rate than almost every tax-paying family in America got to enjoy last year, cannot continue forward with this government. This is not a government that should continue to spend and spend and spend.

Many of the critics of President Bush's budget and many of the critics of President Bush's tax reduction are special interest groups in Washington, D.C. Do not kid yourself. Everybody has got special interests. I have special interests. Water, I worry about water in the West. I worry about land issues in the West. I worry about education for my three children. I have a special interest in those areas.

But every special interest is going to have to help participate in our government attempt to try and level off this slowdown in our economy. I do not think it is too much to go out, and President Bush has not gone out and asked a lot from the government. President Bush has gone out to the government and said, Look, you get to keep all the money you had last year, Government. But as your leader, as the President of the United States, I am telling you we cannot continue on this spending spiral. We cannot go on like that.

I am not asking you to go down. I am asking you at the government level, let's just knock it down a little. You can go ahead and have everything you have this year, governmental agencies, but next year we are going to keep it to a 4 percent increase, 4 cents on the dollar.

I asked when I was in my district how many of my constituents were going to have a 4 percent increase in their budget next year from their employer. I did not have very many of them that said they would. I did not have very many of them that expected they would. So I think it is entirely reasonable that the President ask that the government agencies, they too tighten their belts and they too live within a reasonable spending increase.

Let me tell you one of the favorite ploys that is utilized by special interests in Washington, D.C. I will use the board here as an example. This is an old-time trick used in budgeting and used by special interest groups. Let us say, for example, agency X received \$10 in last year's budget and let us say that agency X this year asked for \$20. They got \$10 last year. This year they are asking for \$20. Let us say that the President comes out with his budget

and says that agency X should get \$15. They got \$10 last year, agency X, they are going to get \$15 this year under the proposed budget, but they wanted \$20.

Now, the average American out there calls that a \$5 increase. Last year they got \$10; this year they are going to get \$15. Do you know what they do, the lobbyists and the special interests for agency X? They go out and say, wait a minute, they go out to our constituents, they go out to the general public and they say, We are getting our budget cut. You have got to write your Congressman. You have got to call your Congressman. They are cutting education or they are cutting water or they are cutting highways or they are cutting the school lunch program. You name it. You have got to call them. They are cutting us.

Ask them what they really mean by cutting. Has the President in his budget and have we in Congress really cut their budget or have we reduced what they have asked for? I think you will find in most cases the reductions they are talking about are reductions in what they have asked for, not reductions in what they actually received last year. In fact, in many of those cases, you will find they actually got an increase over last year.

Again, there are really three strategies that we have to deploy now. Again, one of them is to reduce those Federal interest rates. That is happening.

The second one is to put into place the President's tax cut proposal. It is going to be modified, but we have got to have it close enough to his proposal that it is going to make a difference in our economy. And I think that is going to happen.

And the third thing that we have to do is control government spending. That is going to be our challenge on this House floor. That is the one burden that is on the shoulders of each and every one of us. We have got to have enough leadership on both sides. Both sides of the aisle have to come together.

Now, I realize that the Democrats, especially the liberal leadership of the Democratic Party, the liberal side of that party, feels that they are an opposition government and may not join with us; but I can assure you that there are a number of conservative Democrats, as well as the Republicans, that will come together to try and control that government spending. We have got to do it, because if we do not, everyone in this Nation suffers as a result of this economy slowing down worse.

The last thing you want this economy to do is to slow down to the extent that we begin to lose consumer confidence. Last month consumer confidence was up, but the news released today tells us that consumer confidence is back down. The consumers have confidence when they have trust in their government, that government is going to control spending, when they know they are going to have more dol-

lars in their pocket as a result of a tax cut and when they know that the interest rate that they finance their home, that they pay their credit cards, that they pay for their new car, that that interest rate is going down. That is what restores or holds consumer confidence. That is the key ingredient out there for this economy.

Now, let me tell you about a missile we have got in the air. We really have two missiles right now in the air dealing with the economy. One is the hoof and mouth disease. Many of you have heard about the hoof and mouth disease. Let me tell my colleagues, let me distinguish at the very beginning of these remarks about the hoof and mouth disease. That is not the mad cow disease. There is a distinct difference between the mad cow disease and the hoof and mouth disease. The mad cow disease is a terrible disease. But the hoof and mouth disease, which is the one we are expecting sooner than later to appear somewhere in this country, humans do not contact it.

Now, humans can spread it. Humans can spread it simply through touch. It can be on the bottom of their shoes. This disease can actually spread through the air for, I think, 10 or 15 miles. But the hoof and mouth disease is not the deadly mad cow disease.

So when—I am not saying “if” because I think it is going to happen, but when there is an outbreak in this country of the hoof and mouth disease, the citizens of this country and our constituents should not panic. We have our Federal agencies coordinating. We have Joe over at the FEMA, we have the Department of Agriculture, we have the CIA, we have the Department of Interior. We are putting a lot of resources into trying to figure out when it hits, how to attack it, how to eliminate it, how to localize it and how to keep the public relations on it in such a way that people do not think it is the mad cow disease that has come into our country.

Now, if in fact we have that hoof and mouth disease and if in fact we let a phobia come out of that that creates some kind of lack of consumer confidence or some kind of panic amongst our consumers in regards to the beef industry, it could have a very negative, dramatic impact on our economy. I think it is incumbent upon all of us out there, and our constituents, not to panic if that hoof and mouth disease ends up in this country, to address it.

It is kind of like responding to a fire. I used to be a volunteer fireman and I used to be a police officer. The worst thing you can do as a police officer or a volunteer fireman, or any fireman, is to panic when you go to the scene of an accident or you go to the scene of a fire. We have got to remain calm.

Do not panic if this hoof and mouth disease shows up. One, you should rest assured that at least the government is going to do what we can do. What we are learning from what is happening over in the United Kingdom, fortu-

nately we were not the first ones out of the chute this time. We are learning from their trials and tribulations dealing with this hoof and mouth. So I think we are going to be able to address it. But we need help from you, we need help from your constituents and we need help from the consumers of America. Do not panic. Understand what it is.

Now, this leads me into the second so-called missile we have in the air. That is our energy crisis. During my meetings, and even the preceding speakers before I arrived here this evening, I heard criticizing the President about the energy policy. What kind of energy policy did Clinton have? He did not have an energy policy. There has not been an energy policy in this country for years. President Bush has only been in office for, what, 12 or 13 weeks and one of the first mandates this President placed on the American people was the fact we have to have an energy policy.

□ 2130

There are some things we should take a look at. We should have a big table, and we should place everything on the table. It does not mean it is going to happen, but it means we ought to talk about it. It means energy ought to be in most discussions we have in this country when we talk about the economy, when we talk about the health of the country.

What are our energy needs today? What are our energy shortages today? How are we going to mesh the two of these into the future? What are we going to do about California?

President Bush on a number of occasions has talked about California. Now I will say, I do not have a lot of sympathy for California. They have not allowed a power plant out there for 15 years. They have not allowed a natural gas transmission line for 8 years, 10 years. Some of the hardest-hitting radical environmental organizations in the country come out of California.

We have not had an inland refinery, which these organizations have opposed, built in this country for 25 years. I do not know how many years ago a nuclear facility was built.

My point is this: while you may not feel much sympathy for California, and I do not because they have kind of adopted the not-in-my-back-yard theory, the fact is that we have to put those emotional angers or lack of sympathy for a State like California aside. California is a State in the United States, and a lot of times what hurts California is going to hurt the rest of us. A lot of times what is bad for California is bad for the United States. We have to stand side by side with California. We have to stand side by side with every State in this Union and, as a team, determine what our energy policy will be.

That is exactly what the President of the United States has said. This is the United States. This is a country which

as a country must come up with some type of energy policy. One does not come up with a credible energy policy by pretending to address things, and not addressing them, that are somewhat painful. The fact is we are going to have to explore for more resources.

Conservation is an important issue and conservation can provide some of that gap that we have today, some of it, but not all of it. When we sit down and we talk frankly with each other, we know that we have to find some additional supplies of energy.

Now I heard a quote, I even wrote it down, from one of the previous speakers. Apparently he has visited some farm where they have enough wind generation; and he said if we could put this wind generation in place, it would supply the energy for all of the United States.

Come on. Give me a break. Show me where that is going to happen. If we had that capability, you do not think we would not have wind generation in this country right now in vast quantities?

I read an interesting thing, I think in the Wall Street Journal, today about wind generation. Some of our environmental organizations, and I think justifiably, are saying about wind generation, you are killing birds. Unfortunately, you are in a migration path and a lot of birds are going into your propellers on the wind mills and you can have acres and acres and acres and acres of wind mills and we are not producing much energy. Now that is not to say that we should not consider wind mill-generated power. We should. We should consider solar-generated power.

The fact is, we have a gap that we have to fill fairly quickly. The first way to begin to close that gap is conserve. We all are conserving right now.

The second way is to put an energy policy in place. Now let me mention to you why I am saying we are all conserving right now. I do not know about you, but a year and a half ago at my house, and I live high in the Rocky Mountains so in the winter it is cold, we need that heat, I can say that a year and a half ago, I admit it, I probably had my temperature on 68 degrees, 70 degrees in most of my house; and if I was chilled, I went into my house, and I did not think anything about moving the gas thermometer up to 80 or 85 to warm up for 30 minutes or so.

Well, that is not happening today. In fact, my wife just called me. She just called me about 2 hours ago and she said, Guess what our public service utility bill was for last month? 130 bucks.

A month ago it was 500-and-some dollars. We have changed our policies at our house, at my own home. Now when you go in a room in our house, we have thermometers that are set at 50 degrees, and maybe one is at 68 degrees. So I think across America all of us are beginning to conserve. It is an important part of it.

As the President has said, we need to figure out a new source of energy. Now

the President says put it on the table. Let us talk about ANWR. Let us talk about drilling off the Florida coast. Let us talk about where we can go and what can the Federal Government do to help with this energy crisis. Let us talk about lifting sanctions off Iraq and sanctions off some of the other countries we have that are oil-producing countries, that might put more oil on to the market as a result of those sanctions being lifted.

The President did not say let us adopt it. The President did not issue an executive order which were the favorites of the last administration we have, I might remind my liberal colleagues. The President did not say put it in place. He did not issue an executive order that said do it. He said let us consider it, put it on the table, put it up for debate.

What happens? How interesting. He puts it on the table, the President puts it on the table for debate; and the first thing we do is hear criticism after criticism. Worst environmental President we have ever had; it is a damage to the environment.

How interesting. These people that are screaming the loudest probably have their thermometers at 70 degrees at their house. They probably drive a car. They are probably wearing clothes that were produced by machinery. I mean, there is lots of energy consumption in this country by the very people that are being the most critical of this President who is saying, look, I am not saying we necessarily have to go with ANWR. I am not saying we necessarily should go off the coast of Florida. I am saying put it on the table and let us discuss it, because reasonable people can come to reasonable conclusions and reasonable conclusions lead to reasonable solutions. That is what we have to do.

This energy thing is nothing to laugh about. The situation in California, sure a lot of us may have chuckled about, well, California they got what they deserved; but the fact is it hurts California and it hurts the United States. We need to help California because, in turn, it helps us.

Take a look at the amount of agriculture that comes out of the State of California. I read a statistic the other day, and I think my recall of it is that if California were a country it would be like the third economic power in the world if it was a country of its own. We cannot simply disregard California. We cannot discount the problems that California is having. Nor can we discount the problems of the smallest State in the Union.

The fact is, we are a Union and we have to come together with an energy policy; and we expect our President to put forward some kind of structure so we can have that energy policy, and that is exactly what this President is doing.

Do you think the liberal Democrats are giving him credit for that? No, of course they are not. Do you think some

of these environmental organizations, Earth First and some of those type of characters, are giving him credit? No. They are out there fund-raising by screaming wolf, crying wolf.

Look, this is going to be a disaster. Where the disaster is going to come is if we sit and we do not put anything on the table for discussion and as a result we do not end up with an energy policy. This country needs it, and I think the President is exercising sound leadership in going forward.

I noticed a couple of my colleagues criticized, for example, the Kyoto Treaty. A lot of us now have heard about the Kyoto Treaty. This is not something that is new, by the way. What should be pointed out, President Bush did not kill the Kyoto Treaty. The Kyoto Treaty went down on a 99 to 0 vote. There was not one Democrat Senator, there was not one Republican Senator, who voted on Kyoto last year or the year before when it came up for a vote. Ninety-five to 0 is my understanding, or maybe it was 95 to 0; but I think it was zero in support of Kyoto.

Why? Because it was not balanced. Why? Because it was not fair to the United States. Why? Because it put such a burden on the United States that the United States would be at a distinct disadvantage in this world. That is why.

So the President, in talking about this, all of a sudden they see an opportunity to hang something on the President as being anti-environment. The people out there that are crying against the President on this environment, they better be prepared to come forward and have something to put on the table for our energy policy. I invite them to do that, by the way. I think all of us need to come to that table, but have something that is going to work.

I noticed that some people criticized the President's reduction in research in some alternative energy methods. Do you know why? They are not producing. Research is a nice, magical word; but after all of these years, after all of the billions of dollars they have put into particular research, if it is not giving production, if results are not received out of it, something different has to be done. That is what the President is proposing.

The easiest thing to do is say, well, I am for more research. It is easy for every one of us to go back to our districts and say, I am for more research. I am going to vote for more research for alternative energy. Count on me. I am going to solve the problem.

That is nothing but a stall. Every one of your constituents ought to say to you, hey, if you are going to support this research, what research are you supporting? What kind of results have you gotten? What kind of date in the future are we going to have this product? What is it going to mean to the energy gap that we have today? What is it going to mean for the energy gap that we are going to have tomorrow? You ought to be able to justify, you

ought to be required to justify, the research dollars that you are spending out there. If you cannot justify it, stand up.

That is how we got to the car, that is how we got to the airplane, that is how we got a person to the Moon, that is how we developed medicine, through research. But many people in the history of this country have had enough guts to say, look, the money we are spending on research today is not giving us what we need. Let us try a different path. Let us use a different approach. Do not keep throwing good money after bad money.

I think this President has stood up and taken leadership in that regard.

Now the easiest thing to do would be for the President to say, well, let us just do like the previous administration, no energy policy. Let us just pretend that California can work out of this on their own and it is not going to be a crisis. Let us just pretend that the research is going to give us the answers, because certainly I can stall it through the next 8 years of the Presidency. But this President is not that way. This President is a doer, and he wants something done about the energy crisis, and many of my colleagues on this House floor want something done about this energy crisis. But we better take it serious because it is serious out there. The disease, the energy disease, or whatever you want to call it, the energy shortage or the energy crisis that is in California today could be on your doorsteps tomorrow.

We need to conserve and we need to explore. We need to find other sources of energy. We need to look for alternative energy. There has got to be a combination, and you begin that with a map. It is just like a road map. We need to take a trip, and we have some pretty tough terrain to get over. The easiest way for us to take that trip is to have a road map; and if we do not have a road map, and in this case we do not have a road map, we do not have an energy policy, we need to make a road map. That is exactly what this President is proposing. It does not mean we are going to go over this mountain or that mountain, but every mountain ought to be laid out on our map. Every mountain ought to be laid out. Every trail ought to be looked at, to see whether that is the trail that we should take. That is exactly what the President is saying we should do. I support the President in regards to those efforts.

#### THE DEATH TAX SHOULD BE ELIMINATED

Mr. MCINNIS. Madam Speaker, I have talked about the economy. I have talked about the hoof and mouth disease, and we visited a little about energy. Let me visit a little about another issue that has come up consistently throughout my district, consistently in my travels throughout this Nation, and I think most of my colleagues have experienced it as well. I intend to follow up on my remarks tomorrow evening from the House floor here, but that is this death tax.

Now some may think that I am being repetitive about this, but there are some people out there that just do not get it. There are some people out there that are being swayed by the advertising of the billionaires who, by the way, not all billionaires but a select group of billionaires who have taken out ads in the Wall Street Journal and said we do not need this. To the person, every one of those people that signed on that Wall Street Journal article or advertisement that there should be a tax on death, every one of those families has already done their trust planning, their legal planning. They have had their attorneys figure out how they pay the least amount, how to protect them from those taxes upon their death.

□ 2145

In my opinion, they are acting very hypocritically. After they have provided protection for themselves and the death tax, they turn around to us representing the government, they say you should continue this tax against the rest of America. That is pretty inequitable.

Madam Speaker, I think when you talk about the death or estate tax, the first step you need to take is ask what is its history. What is its justification? Should death be a taxable event? Because somebody dies, should that be a reason for the government to jump in and tax on property, by the way, which has already been taxed. This property that we are talking about in my discussions on the death tax, this is not property which has escaped taxation, this is property which has been taxed already once but in some cases, two or three times; in some cases, for multigenerations.

So the first question you ask, should death be a taxable event. I venture to say that it should not be, no more than we should have a marriage penalty tax because you get married. This should be a country that encourages marriage. This should be a country that encourages one family farm, one generation to move it to the next generation, that one family business go to the next generation. That is what this country is about. This country, after all, is built on capitalism. This country is built on private property rights. This country is built on the concept that the government works for the people, the people do not work for the government.

So I do not think that you can justify death as a tax. Do you know where the history of this came about? It was in the days when people wanted to move this government towards a socialist-type of domineerance, to punish the people that were successful, to go after the Carnegies and the Rockefellers that amassed all of this wealth, and take that money back for redistribution of wealth. The old theory that you do not allow a person to be paid based on what they are worth, they are paid on what they need.

It brings to mind the Ayn Rand book, Atlas Shrugged. Read that book, col-

leagues, or listen to Books on Tape. Is that the direction that we want to go with this death tax. It has certainly been the direction we have gone since the death tax has been put into place.

Let me say I was at a meeting the other day, and a gentleman asked, Why do you worry so much about the death tax. Those kids are taken care of anyway. They do not need all of that money.

That is exactly the point. I am not talking about the billionaires that signed the ad in the New York Times, I am talking about the family, the small contractor who owns a pickup, a backhoe, maybe a shed to do his maintenance in and if he is killed on the job, what about the family's opportunity the next day to continue that small business. That is who I care about. That is who I am talking about. And the very point is those people do need it. Those people do need that business to continue on to the next generation, and in many cases the families are dependent upon that business.

I have an entire group of letters here, some of which I am going to read this evening who are impacted, not billionaires, how this has affected a lot of your neighbors, especially in an area like my district. In the Colorado mountains, our real estate values have continued to spiral at an increasing rate. So we have seen a challenge the likes we have never seen in the past on our family farms and our family ranches.

This death tax is not right. I was at another meeting and I had a lady who was very justified in her thoughts and very professional in her approach. She said what right do the children have to inherit this property. I said they have every right, but now I have had second thoughts about it. Under our concept of government, it is not the children's right to inherit, it is the parents' right to determine where their property, which they have accumulated by following the laws, by working hard, they have accumulated property, it is their right of private property which is a basic, fundamental part of our Constitution, a fundamental part of the government that we enjoy is the right of private property. It is without question, in my opinion, the right of the person who owns the property to determine where property will go after their death.

I do not think the government, who did not put out the risk, and the government had something to do with somebody obtaining property, I admit that, we have a government of laws, you do not have to worry about somebody stealing, but that is why you pay taxes. So the government has already gotten its share of taxes off the private property. I think it is the right of the owner of that property to determine to whom and in what amounts that property should pass after that person's death.

Let me tell you that the hardships, and I have experienced some of those hardships, I have seen them in the

communities, the hardships that are put on communities cannot be overlooked in this argument of whether or not a death tax is justified.

These people will argue, this New York Times ad and some of these multibillionaires that signed this ad, who have already protected or minimized the impact on their wealth, one of the points they make is that it only impacts the upper 2 percent of our society.

Let us put aside my arguments, do you have a right to tax death. Let us put that aside. Let us put aside the inequity of that, and let us say that 2 percent actually pay it. Take a look at what it does to the communities that those 2 percent live in. That money leaves those communities. If you have a small community in Iowa, and you have a family who has had a family farm for a couple of generations and they have seen a small escalation in property values, and the husband and the wife team that have made that farm a going operation pass away, and the government comes in and taxes that property and forces the sale of the farm, what do you think happens to that money of those 2 percent. Do you think that it stays in that small town in Iowa? Of course it does not. It is sucked out of that town in Iowa to Washington, D.C. A small percentage of it may stay with the State of Iowa. But by far the largest chunk, 75 percent or greater, goes to Washington, D.C.

Do you think the people in these Chambers or these Federal agencies put those dollars back into that farming community in Iowa? Of course they do not. That money is taken out of these communities. For all practical purposes, it is taken from the community forever. Those are local dollars that go to local charities that provide savings in our local banks, that allow for productivity, for creation of capital.

Why should the government come in after they have taxed these people during their entire lifetime, come back and once again upon their death seize this money. I do not think that you can justify it.

Let me read you a couple of letters that I think kind of hit home.

"Dear sir, My name is Chris Anderson. I am 24 years old, and I currently run a small mail-order business. I am not a constituent of yours. I currently reside in New Jersey." That is interesting because the previous speaker was from New Jersey.

"However, I have listened with great interest as you spoke this evening on the topic of the death tax, as you called it. I in all likelihood will not face, will not be impacted by the problems you were outlining, at least not in the near future. I am not in line to inherit a business. However, I am soon to be married, and I look forward to having a family and perhaps one day my children will want to follow in my footsteps with my business. I hope and pray that they will not face the additional grief caused by the death tax.

"A 55 percent tax is, at best, a huge burden on a family business and the loved ones of the deceased. At worst, it can be a death blow that ruins what could otherwise have been the future of yet another generation. This letter is not a plea for help. I just want to let you know that although I am not a victim of this tax, I appreciate and applaud your efforts against it. I firmly believe that Congress and the government at large needs to recognize that America's future is and will always be firmly rooted in the success of small business. Many of these businesses are family owned and need the next generation to continue them into the future. I spent a few years working for a small family-owned business, and not just myself but several workers depended on the income that they derived from working for this small business. I fear for those workers when the tax man comes knocking.

"This tax has claws that rip at many people, and many more people than the immediate family of the deceased. It is also a huge impact on the employees of small businesses. I hope you do the best you can to eliminate or to do something about this death tax."

Now, let me read another one. Tomorrow evening, by the way, I want to go into much more detail about the death tax and other impacts that it has on a community.

This evening as I read these letters, I begin to feel the hardships that these families have out there. And every one of you here, you know of an example where the death tax has devastated a community or devastated a family. You know how unjustified it can be.

Let me read another letter. "Roberta and I just finished watching your death tax speech. We were both very proud to watch you as you stated some real concerns and problems that we face with this unfair taxation."

I want to tell you, Mr. and Mrs. Schaffer, it is an unfair taxation. It is not only an unfair taxation, it is the most unjustified taxation in our entire system.

"As you so well know, farming and ranching out here is no slam-dunk. If our farm is ultimately faced with this death tax, there is absolutely no way that we could ever afford and justify holding on to our family farm. This in turn will prevent us from allowing this farm to go on to future generations. It will keep our farm from becoming one more development out in the country. In other words, keep it as open space, and most of us have deep appreciation for open space. It will not keep it available to the wildlife, the deer and the elk. In fact, for your interest, we saw over 600 head of elk on the farm this morning. It will not keep it available for unencumbered natural gas productions.

"Scott, we are only able to meet the daily operating costs of our farm under the present economic conditions of agriculture. Unless there is a positive action taken by Congress on this death

tax problem, we will start having to make necessary plans to arrange our affairs so that our family can somehow struggle to make it to the next generation. By the way, there is no way we are going to let you," meaning Washington, "and the IRS come and take it from us. The government does not deserve it. Of course, in order to protect our land, it will make it necessary to begin destruction of the land: The development of one of the largest open space areas of our county. Our land is quite valuable if it were broken up into subdivisions, and the only way we can keep the government's hands off it, if you do not do something about this death tax, is to break up our farm and sell it as a subdivision; therefore, having the money to once again pay taxes to the government on property which has already been taxed."

Let me read you the next one. Mr. Allen says, "I am writing to encourage you to keep up the repeal of the death tax on the front burner."

Mr. Allen goes on to say, "As the owner of a family business, it is extremely important that upon our death, the business be able to be passed on to our son and daughter, both of whom work in this business, without the threat of having to liquidate our business, to sell our business off to pay inheritance taxes on assets which have already been taxed by the government. Of all of the taxes we pay, the death tax truly represents double or triple taxation.

"I am aware that several wealthy people, i.e. William Gates, Sr., George Soros, and other multibillionaires, have come out against a repeal of the death tax. This is one of the most self-serving demonstrations I have ever seen. They have theirs in trusts. They have theirs in foundations. They have theirs in offshore accounts. They have hired a fleet of attorneys to protect their interests; and of course they will pay little or no tax because they have protected their assets. Whatever their political motivations are, they certainly do not represent or speak for the vast majority of small farmers and business owners in this country. Again, I urge you to push for repeal of the death tax."

□ 2200

This is from Mr. Happy. "I am watching you as you are talking about the death tax and the marriage tax. I wish there was some way I could help you to get these taxes eliminated."

Mr. Happy goes on to say, "They are the most discriminatory taxes and socialistic taxes that our entire system could envision. I can't for the life of me understand how they got put into place to start with."

Well, as I mentioned, Mr. Happy, they got put into place because it was a way to go after the Carnegies and the Rockefellers. It was when this country was moving towards a socialistic government. They certainly did not go into place, Mr. Happy, as a result of the theory of capitalism.

"How could anyone advocate taxing somebody twice and three times. I don't care if it is a millionaire or a pauper. It is not the government's money." And in this letter, Mr. Happy has in this, "It is not the government's money" in capital letters.

Let me repeat what he said: "How could anyone advocate taxing someone two or three times. I don't care if it is a millionaire or a pauper. It is not the government's property. The taxes have been paid," and once again, in full capital letters, the word "paid." "The taxes have been paid. I have been considering divorcing my wife of 48 years and just living together, filing single tax returns because of the marriage penalty, or just filing separately. Why should a family who have been together for 45 years, who have paid taxes on time every year, be forced into the position of losing the property that they have spent their entire life accumulating, or be penalized because they have a marriage of 48 years? Can you answer that?"

Mr. Happy, I cannot answer it, other than the fact to tell you that there are some people here who believe in the redistribution of wealth, who believe somehow in justification of a death tax or tax upon somebody's death.

Let me just wrap this up with one other letter, and then I intend to continue this later this week, because I feel so strongly about the fact that the government should not be taxing death. Mr. Frazier writes me: "I was encouraged by the State of the Union and the President's \$1.6 trillion in tax relief. We have operated a family partnership since the 1930s," that is what Mr. Frazier says, since the 1930s they have operated a family ranch. "My parents died about 5 years apart in the 1980s and the estate tax on each of their one-fifth interest was three to four times more than what they paid for the ranch when they purchased it in 1946." In other words, his father and mother, who only owned one-fifth interest in this ranch, each paid more taxes on their one-fifth interest than they paid when they originally bought the ranch.

"Eliminating the death tax and the marriage penalty and reducing tax rates across the board will go a long ways in providing jobs. This, in turn, will enable hard-working families in our cattle country to pass their heritage on to the next generation and to continue to provide safe, wholesome beef to consumers around the world."

Remember, a lot of these people, they are not so interested in the business, it is the heritage of their farms, the heritages of their businesses that they want to pass to the next generation. That is something our country should encourage. Heritage has a lot of value. "I have three sons involved in our operation and a grandson starting college next fall, and it is important that we keep agriculture viable, to keep our beef industry from becoming integrated. We need to make it possible for

our youth to be able to stay on our ranches and farms."

These are not letters that I put together over at my office. These are letters that have been sent to my office by families in America, not the multi-billionaires that signed that New York Times ad who have already protected their wealth from government taxation. These are people whose lives will be devastated because the government continues on its path of considering death a taxable event.

Well, I have enjoyed my time this evening. We started out by discussing the economy and we have a multistage strategy that we must deploy in regards to our economy. We have to continue to have Mr. Greenspan lower the rates. He is going to do that to the extent that he can. We have to put a tax cut into place, and we have got to control government spending.

I moved from our economy to our energy policy this evening. I said that we need an energy policy. The previous administration did not have one; this administration in its first few days in office said, we need an energy policy, and they are willing to stand up and put everything on the table. Now, that does not mean it is going to be utilized, but it does mean we can discuss it and we, all of us as a team, Democrats and Republicans, must come together for an energy policy.

Finally, I have wrapped up with the discussion on the death tax. I intend later this week when I have an opportunity to speak again to go into more detail on the severe impact that this death tax has on American families. It is severe.

#### WAKE UP, AMERICA: ENGAGEMENT WITH CHINA HAS FAILED

The SPEAKER pro tempore (Mr. FERGUSON). Under the Speaker's announced policy of January 3, 2001, the gentleman from California (Mr. ROHRABACHER) is recognized for half of the remaining time until midnight, approximately 58 minutes.

Mr. ROHRABACHER. Mr. Speaker, one month ago, the Communist regime that controls the mainland of China attacked an American surveillance aircraft while it was in international waters. After being knocked out of the sky, 24 American military personnel, the crew of the surveillance craft, were held hostage for nearly 2 weeks. The Communist Chinese blamed us and would not return the crew until the United States was humiliated before the world.

Wake up, America. What is going on here? Large financial interests in our country whose only goal is exploiting the cheap, near-slave labor of China have been leading our country down the path to catastrophe. How much more proof do we need that the so-called engagement theory is a total failure? Our massive investment in China, pushed and promoted by American billionaires and multinational

corporations, has created not a more peaceful, democratic China, but an aggressive nuclear-armed bully that now threatens the world with its hostile acts and proliferation. Do the Communist Chinese have to murder American personnel or attack the United States or our allies with their missiles before those who blithely pontificate about the civilizing benefits of building the Chinese economy will admit that China for a decade has been going in the opposite direction than predicted by the so-called "free traders."

We have made a monstrous mistake, and if we do not face reality and change our fundamental policies, instead of peace, there will be conflict. Instead of democratic reform, we will see a further retrenchment of a regime that is run by gangsters and thugs, the world's worst human rights abusers.

Let us go back to basics. The mainland of China is controlled by a rigid, Stalinistic Communist party. The regime is committing genocide in Tibet. It is holding as a captive the designated successor of the Dalai Lama, who is the spiritual leader of the Tibetan people. By the way, this person, the designated new leader, is a little boy. They are holding hostage a little boy in order to terrorize the Tibetan people. The regime is now, at this moment, arresting thousands of members of the Falun Gong, which is nothing more threatening than a meditation and yoga society. Christians of all denominations are being brutalized unless they register with the state and attend controlled churches. Just in the last few days, there has been a round-up of Catholics who were practicing their faith outside of state control. Now they are in a Chinese prison.

There are no opposition parties in China. There is no free press in China. China is not a free society under anyone's definition. More importantly, it is not a society that is evolving toward freedom.

President Richard Nixon first established our ties with the Communist Chinese in 1972 at the height of the Cold War. That was a brilliant move. At that particular moment, it was a brilliant move. It enabled us to play the power of one dictatorship off the power of another dictatorship. We played one against the other at a time when we had been weakened by the Vietnam War and at a time when Soviet Russia was on the offensive.

During the Reagan years, we dramatically expanded our ties to China, but do not miss the essential fact that justified that relationship and made it different than what has been going on these last 10 years. China was at that time, during the Reagan administration, evolving toward a freer, more open society, a growing democratic movement was evident, and the United States, our government and our people, fostered this movement. Under President Reagan, we brought tens of thousands of students here, and we sent