

well illustrated in Pennsylvania where most people, particularly the elderly, dread the idea of leaving their home and family and moving to a nursing home. Consumers have become more sophisticated and are looking for alternatives of service and care that will allow people to retain their independence, including staying in their home or with family-member care givers.

Research suggests that a highly important cultural change is at work—a trend toward home and community based long-term care services. This means that government must recognize this important shift and encourage the expansion of home and community-based care programs and services.

While current government policies support and promotes public funding for institutionalized care (the type of care that those in need do not prefer) society has come to rely almost exclusively on informal family-care givers to provide the type of care desired by the majority of care recipients.

Researchers estimate that the value of care giving responsibilities regularly assumed by family members and friends exceeded \$200 billion in 1997. In comparison, federal spending for formal home care in 1997, was \$32 billion, with an additional \$83 billion for nursing home care.

Informal or family-care givers provide more long-term care and support, free of charge and with limited support, than the federal government in all settings combined.

The obvious question becomes: how about paying or providing relief to the informal or family-care giver? I am taking steps to do just that by introducing legislation to amend the Internal Revenue Code of 1986 to provide a \$1,200.00 tax credit for care givers of individuals with long-term care needs.

A \$1,200.00 tax credit is the logical first step designed to recognize and compensate care givers for the long-term cost associated with informal or family-care giving.

CAPTIVE NATIONS WEEK, 43RD
OBSERVANCE

HON. KEN CALVERT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 2001

Mr. CALVERT. Mr. Speaker, I rise today with a deep sense of personal conviction and pride to submit for the RECORD a proclamation on the 43rd Observance of Captive Nations Week. It was in memory of the millions who perished under authoritarian regimes and remain under authoritarian regimes still that the 86th Congress and President Dwight D. Eisenhower began the tradition of paying tribute to their fight for freedom, democracy, free market economy, human rights and national independence, with Public Law 86–90. President Ronald Reagan served to more forcibly imprint this need several years later when he called history's most powerful authoritarian regime, the Soviet Union, an 'evil empire.'

I am convinced that Captive Nations Week has served a vital role in the fight against authoritarian governments. This one week a year has provided, and continues to provide, a level of focused pressure and attention on those nations that utilize force, coercion and fear to maintain control over the individual. As a re-

sult, we no longer witness Germany fascism, Soviet Stalinism, the Nazi concentration and work camps of World War II and more. In time, I believe that remaining Captive Nations, such as China, will also join the community of democratic states.

China in particular provides us visible daily evidence of the human rights violations that continue to be perpetuated in the world. In this country the authoritarian government continues to deny men and women their inalienable rights, including freedom of speech, freedom of movement and assembly, freedom of the press and the right to practice their religious beliefs without fear of persecution.

Captive Nations Week recalls our obligation to speak out for captive peoples around the world. During this one week in July, we may reaffirm our support for peaceful efforts to secure their right to liberty and self-determination. Thomas Jefferson's timeless words on the 50th Anniversary of our Nation's Independence in 1826 best highlight the goals of Captive Nations Week:

"All eyes are opened, or opening, to the rights of man. The general spread of the light of science has already laid open to every view the palpable truth, that the mass of mankind has not been born with saddles on their backs, nor a favored few bootied and spurred, ready to ride them legitimately, by the grace of God. These are grounds of hope for others. For ourselves, let the annual return of this day forever refresh our recollections of these rights and an undiminished devotion to them. . . ."

Therefore, Mr. Speaker, I add my prayers and hopes to the millions said each and every day for the "rights of man" to be secured for all peoples around the world and that Americans are privileged to experience with each breath that they breathe. And I also applaud those who would not be victimized, the individuals who refused to be swayed by untruths and promises of power—the ones who fought tyranny and prevailed. In 2001 there remain many Captive Nations, but our hope remains that one day there will be none.

CONSTITUTIONAL AMENDMENT
AUTHORIZING CONGRESS TO
PROHIBIT PHYSICAL DESECRATION
OF THE FLAG OF THE
UNITED STATES

SPEECH OF

HON. JERRY WELLER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 2001

Mr. WELLER. Mr. Speaker, I rise today to give my strong support to H.J. Res. 36, the Flag Protection Amendment.

Our flag is the symbol of the free world. It is the symbol that men and women have given their lives to protect and preserve. Thanks to these sacrifices, we are at peace today and are able to return the favor to the brave soldiers and sailors who stood guard to our flag and freedom from Lexington & Concord to the shores of Kuwait.

Mr. Speaker, the United States flag stands for freedom, equality, and patriotism. These qualities are embodied in the true, tried waves of the flag as she flies proudly above this building, the United States Capitol. To protect the flag is not only the right thing to do, it is the necessary action to pursue.

Mr. Speaker, I commend Mr. CUNNINGHAM and Mr. SENSENBRENNER on their hard work on this amendment and I urge my colleagues to support this meaningful and necessary piece of legislation.

SUBCHAPTER S MODERNIZATION
ACT OF 2001

HON. E. CLAY SHAW, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 2001

Mr. SHAW. Mr. Speaker, today over 2 million businesses pay taxes as S corporations and the vast majority of these are small businesses. The Subchapter S Modernization Act of 2001 is targeted to these small businesses by improving their access to capital, preserving family-owned businesses, and lifting obsolete and burdensome restrictions that unnecessarily impede their growth.

Even after the relief provided in 1996, S corporations face substantial obstacles and limitations not imposed on other forms of entities. The rules governing S corporations need to be modernized to bring them more on par with partnerships and limited liability companies. For instance, S corporations are unable to attract the senior equity capital needed for their survival and growth. This bill would remove this obsolete prohibition and also provide that S corporations can attract needed financing through convertible debt.

Additionally, the bill helps preserve family-owned businesses by counting all family members as one shareholder for purposes of S corporation eligibility. The bill also increases the limit on the number of shareholders from 75 to 150. Also, nonresident aliens would be permitted to be shareholders under rules like those now applicable to partnerships.

The Subchapter S Modernization Act of 2001 includes the following provisions to help: improve capital formation opportunities for small businesses, preserve family-owned businesses, and eliminate unnecessary and unwarranted traps for taxpayers.

TITLE I—ELIGIBLE SHAREHOLDERS OF AN S
CORPORATION

SECTION 101. MEMBERS OF FAMILY TREATED AS
ONE SHAREHOLDER

The Act provides for an election to count family members that are not more than six generations removed from a common ancestor as one shareholder for purposes of the number of shareholder limitation (currently 75 shareholders). The election requires the consent of a majority of all shareholders. The provision helps family-owned S corporations plan for the future without fear of termination of their S corporation elections.

SECTION 102. NONRESIDENT ALIENS ALLOWED TO
BE SHAREHOLDERS

The Act would permit nonresident aliens to be S corporation shareholders. To assure collection of the appropriate amount of tax, the Act requires the S corporation to withhold and pay a tax on effectively connected income allocable to its nonresident alien shareholders. The provision enhances an S corporation's ability to expand into international markets and expands an S corporation's access to capital.

SECTION 103. EXPANSION OF BANK S CORPORATION
ELIGIBLE SHAREHOLDERS TO INCLUDE
IRAS

The Act permits Individual Retirement Accounts (IRAs) to hold stock in a bank that is