

The death tax is just as wrong, and we ought to do something about it, too. It is wrong to make grieving families face the funeral director and the tax collector in the same week. And it is wrong to break up family-owned businesses just to extract an additional tax from someone one last time before he or she is laid to rest.

The death tax imposes a heavy toll on families, as well as the communities in which they live. Maybe that is why 15 states have repealed their state death taxes since 1980.

Mr. President, in its January 12 edition, the Wall Street Journal carried a story about the impending sale of America's largest African-American newspaper chain, Sengstacke Enterprises, Inc. The chain's pioneering leader, James Sengstacke, passed away last May, and the chain is now faced with the daunting task of raising enough cash to pay the estate tax—something that is more commonly known as the death tax.

I do not know the Sengstacke family, but their story is compelling, and I hope our colleagues will listen closely as I read a few lines from the Journal's report. The article begins by noting that the newspaper chain is comprised of the daily Chicago Defender and three weeklies—the New Pittsburgh Courier, the Tri-State Defender, and the Michigan Chronicle. And then it goes on with the extraordinary story of the family business:

Founded by Robert Sengstacke Abbott in 1905, the Chicago Defender helped ignite the Great Migration—the move of tens of thousands of Southern black sharecroppers northward to Chicago and other cities. When Mr. Abbott's nephew, John Sengstacke, took over in 1940, the Defender grew from a weekly to a daily, printing stories that challenged discrimination on nearly every front, from the U.S. Army to the baseball field.

Mr. Sengstacke was instrumental in persuading Brooklyn Dodgers owner Branch Rickey to hire baseball's first black player, Jackie Robinson. For several decades, the Defender was viewed as the most important training ground for aspiring black journalists.

Mr. President, the tragedy is that the death tax may force the Sengstacke family to part with this treasured piece of their heritage—a family-owned company that has, among other things, worked hard to try to stamp out the scourge of discrimination around the country. Contemplating the thought of the chain being taken over by outsiders, the founder's grandniece, Myiti Sengstacke, said, "No one—black or white—is going to understand and cherish the vision my uncle had for starting the company other than someone in his family."

Other families around the country have similar stories to tell. Here is what a good friend and constituent of mine wrote in a letter to me last year:

Since my father died, our lives have been a nightmare of lawyers and trust companies with the common theme, "you have to protect the family business." It was hard enough trying to recuperate after my father's long illness, and then adjusting to the reality he was gone.

This family in Arizona built up a printing business from just one employee 39 years ago to over 200 employees today. The founder—the family patriarch—was one of the most generous people I have ever met. He gave to just about every charitable cause in our community, and he made our community a much better place in the process.

Mr. President, hard work and thrift, creating jobs, and contributing to the community are among the last things we ought to penalize. And so I sponsored the Family Heritage Preservation Act, S. 75, to repeal the cruel death tax. Twenty-nine of our colleagues have joined me as cosponsors of that measure, and the companion House bill, which was introduced by Congressman CHRIS COX, has 166 cosponsors. A recent poll commissioned by the seniors group, 60 Plus, found that fully 77 percent of Americans are supportive of death-tax repeal.

We took some important steps in the direction of death-tax relief last year when we approved a phased increase in the unified credit and new protections for a limited number of family-owned businesses. Unfortunately, the "family-business carve-out" made what is arguably the most complex portion of the Tax Code even more complicated. Here is what representatives of small businesses told the House Ways and Means Committee on January 28.

The National Federation of Independent Business told the committee that even though the 1997 Taxpayer Relief Act gave small-business owners some relief from the unfair death tax, small-business owners should not be paying this tax at all. Jack Faris, the President of NFIB, said that the organization continues to fight for complete elimination of this onerous tax.

The Small Business Council of America described last year's changes this way. "The new Qualified Family-Owned Business Interest Exclusion is now the most complex provision in the Tax Code. At best, it will help less than five percent of family businesses facing sale or liquidation from the death tax."

These sentiments are consistent with the message we heard from delegates to the 1995 White House Conference on Small Business, who placed death-tax repeal fourth among their 60 recommendations to Congress and the President. And with good reason. The death tax is gradually destroying family enterprise, first by slowing business growth, then by forcing companies to restructure through mergers or sales.

According to the Heritage Foundation, repeal of the death tax would free capital resources for more productive investment, leading to an average of \$11 billion per year in extra output, an average of 145,000 additional jobs created, and personal income rising an average of \$8 billion per year above current projections. So not only would death-tax repeal be good for families, it would help the economy as well.

Mr. President, repealing the marriage penalty and the death tax should

be among our top priorities this year. Together, these two steps will get us closer to the kind of Tax Code we all say we want—one that is fairer, flatter, and simpler. Let us do this for America's families.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business Friday, January 30, 1998, the Federal debt stood at \$5,490,064,235,079.64 (Five trillion, four hundred ninety billion, sixty-four million, two hundred thirty-five thousand, seventy-nine dollars and sixty-four cents).

One year ago, January 30, 1997, the Federal debt stood at \$5,315,796,000,000 (Five trillion, three hundred fifteen billion, seven hundred ninety-six million).

Twenty-five years ago, January 30, 1973, the Federal debt stood at \$450,068,000,000 (Four hundred fifty billion, sixty-eight million) which reflects a debt increase of over \$5 trillion—\$5,039,996,235,079.64 (Five trillion, thirty-nine billion, nine hundred ninety-six million, two hundred thirty-five thousand, seventy-nine dollars and sixty-four cents) during the past 25 years.

SECRETARY JAMES R. SCHLESINGER'S STATEMENT BEFORE THE SENATE COMMITTEE ON ARMED SERVICES ON THE REPORT AND RECOMMENDATIONS OF THE NATIONAL DEFENSE PANEL

Mr. THURMOND. Mr. President, I would like to take a few moments to address the comments made by James R. Schlesinger, the former Secretary of Defense, Secretary of Energy, and Director of the Central Intelligence Agency, in his appearance last week before the Committee on Armed Services. The purpose of the hearing was to review the Quadrennial Defense Review of the Department of Defense, and the report of the National Defense Panel, in order to determine what measures are necessary to ensure our national security establishment is able to meet the threats of today and tomorrow.

The testimony provided by Secretary Schlesinger was very sobering in that he provided the Committee with a clear picture of the crisis we are facing due to the imbalance between our foreign policy commitments and the diminished capabilities of our Armed Forces. In his own words, "By early in the next century, at the latest, we shall be obligated to spend far greater sums on procurement. Alternatively, we can watch the force structure itself age and erode—until it will no longer be capable of sustaining the ambitious foreign policy that we have embraced."

Mr. President, it is unfortunate that the entire Senate was not able to attend last week's hearing and discuss the problems outlined by Secretary Schlesinger. I believe it is important, especially at a time when the U.S. military may once again be called upon

to protect our interests in the Persian Gulf, for all of the members to fully understand the extent to which our military capability has diminished in recent years, and the impact this will have upon our ability to pursue an aggressive foreign policy.

Therefore, Mr. President, I ask unanimous consent that the statement provided by Secretary Schlesinger to the Committee on Armed Services be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF JAMES SCHLESINGER BEFORE THE ARMED SERVICES COMMITTEE, UNITED STATES SENATE, ON THE REPORT OF THE NATIONAL DEFENSE PANEL JANUARY 29, 1998

Mr. Chairman, Members of the Committee: You have requested that I comment on the Report of the National Defense Panel and, in particular, to develop further the discussion of alternative strategies and alternative force structures. At the outset, let me say that the Panel has done a commendable job. Overall, its diagnosis of the emerging international scene is excellent, its stress on the need for the transformation of defense is correct. Many of its specific recommendations are admirable. While I shall later comment to some extent on alternative strategies, at the moment I simply wish to state that the reticence of the Panel in the area of alternative strategies and force structures is understandable.

For reasons I shall spell out, I sympathize with the Panel on this point, for it was facing a formidable task. Quite simply you can't get there, that desired point in the 21st Century, from here—given the apparent fiscal limits. The United States has a very ambitious foreign policy. It has accepted the role of the world's principal stabilizing power, the one universal power. Yet, there is no way that it can sustain over time the force structure that the QDR calls for—on three percent of the gross Domestic Product. That is not a matter of analysis; that is simple arithmetic. To fulfill our present commitments and to modernize the QDR force for the more challenging years of the next century would require four percent-plus of the GDP. That does not appear a surprising sum for a nation that aspires to be the sole universal power. Our present level of expenditure, relative to GDP, is less than it was before Pearl Harbor.

In this decade, we have been cushioned by allowing the principal equipments, inherited from the Cold War years, to age. Obviously such action is tolerable only in the short run. We now spend some forty billion dollars a year on procurement. Yet, the depreciation on our equipment—at replacement costs—runs over a hundred billion dollars per year. In brief, we have been enjoying an extended Procurement Holiday. By early in the next century, at the latest, we shall be obliged to spend far greater sums on procurement. Alternatively, we can watch the force structure itself age and erode—until it will no longer be capable of sustaining the ambitious foreign policy that we have embraced.

In the period around 2010, the Department of Defense believes that a new peer-competitor of the United States might emerge. It would be a time, according to present assertions, that we now intend to expand NATO to include portions of the former Soviet Union. It would be a time that expenditures on entitlements programs would be escalating as the baby-boom generation retires, and the budget is projected to go into deficit. Yet, at that very time the effects of the aging of

major items of equipment and the erosion of our military capabilities would become clear. Unless we alter our present course, under those circumstances we would have no prudent choice but to retrench on our foreign policy objectives and commitments.

Can we not shrink the present force structure—and thereby provide more funds for modernization? In principal, we should be able to do so, but in practice we would encounter vast difficulties. The operations tempo of the Armed Forces is at this time at an all time peak in peacetime. Force deployments in the post-Cold War years have been far more frequent, of substantially larger size, and of longer duration than in the 1980's. To be sure, the optempo of the Services could be trimmed. We should certainly review the training regime of the Services, which has not changed since the end of the Cold War. With Goldwater-Nichols, the regional CINC's have piled on additional requirements. We do need an overall review to see whether so high an optempo is desirable. But, we should recognize, given our present foreign policy commitments, we can only trim rather than substantially reduce the optempo. So long as that is the case, any hankering substantially to reduce the force structure remains unachievable.

Quite rightly, the National Defense Panel points to the growing strategic uncertainties of the early part of the 21st Century, the possible emergence of a peer-competitor, the serious arrears in funding the re-equipping of the forces, the emerging (re-emerging) issue of homeland defense, the need for space control, the need to incorporate the benefits of the revolution in military affairs, in short, the need to transform defense. It questions whether the two major-regional-conflicts measuring rod is realistic—or is just "a means of justifying current forces." It points to the generally low-risk international environment of today. Quite rightly, the Panel states that the "priority must go to the future." It argues that the pursuit of the two MRC strategy consumes resources that could reduce the risk to our long-term security, given the budgetary limits, the Panel suggests that we surrender the two-MRC standard. There are risks and certain strategic questions that arise following such a path. Yet, given the constraints, it is a plausible suggestion. Nonetheless, at this time, the optempo of the Armed Forces precludes a reduction of the force structure sufficiently large to generate the funds for re-capitalizing the forces.

The Panel recommends other means of generating funds within the present budget. It correctly urges a further attack on our excessive infrastructure—and urges the outsourcing of some 600,000 positions in the DOD, including the civilianizing of certain active military positions. I applaud the further closing of bases and I am receptive to pushing outsourcing as far as feasible. I note, however, that there are still some 20 major domestic bases to be closed still left from the BRAC of 1993. I note that most of the reductions in civilian personnel under the quadrennial review is based upon a base-closing exercise which the Congress has already rejected. I note that base closings to this point have generated less than \$6 Billion in savings. Thus, admirable as a further assault on our infrastructure may be, it will not generate substantial additional savings to re-capitalize the Forces.

Yet, the suggestion that we move more vigorously to outsourcing is certainly correct. In the view of the doubts and resistance that inevitably will occur, it will be many years before the resources become available. Given the legal, administrative, and political constraints, less is likely to be obtained by these measures in the necessary time-frame than both the Panel and I would wish.

All in all, the transformation of defense is a meritorious, if not an essential, objective. Yet, it is a far more difficult task, given the resources available, than we are ready to acknowledge. We are not dealing with a system at rest, a garrison military like the pre-World War II German *Wehrmacht*. The U.S. military now is always on the go, moving around the world and conducting operations in dozens of countries. To transform a force so active is a far more arduous task. While we should embrace the objective, we should also recognize the difficulties that stand in our path.

Mr. Chairman, let me now turn away from household tasks to an examination of what the Panel describes as the "cusp of a military revolution." The opportunity for such a revolution has been created by the immense technical advances in computers, microelectronics, telecommunications, sensors, and precision guided munitions. These new military technologies were first unveiled in the Gulf War. Admittedly, the conditions were ideal for exploitation of these new technologies. It permitted our senior officers to have dominant battlefield awareness, while Iraq's unfortunate generals had limited ability to communicate and were largely unaware of what was transpiring on the battlefield. However, one element must be kept in mind: our showcasing of these military technologies means that we will never again have the element of surprise, nor will we again be able so easily to exploit the advantages that these technologies offer. We shall have to labor hard, as others acquire these technologies, both to stay ahead and to exploit fully the opportunities offered by them. When I say that we must work hard, I mean that we must not be lulled into complacency by such phrases as "full spectrum dominance." There is no guarantee of permanent American military dominance. Others will be learning the capabilities of information warfare and weapons of mass destruction. Thus "eternal vigilance" remains essential.

That leads me—all too briefly—into alternative strategies and alternative force structures. You will understand, of course, Mr. Chairman that I can only throw out a few brief observations. A complete review would require far more time. But it is essential that, as conditions change we continue to seek alternative means to achieve military or national goals—and to choose those means that achieve our goals most effectively. I have dwelt upon the Gulf War as a watershed event. The military establishments of many nations are busily seeking to discern the lessons of the Gulf War.

In this light I find it curious that the United States, which developed, exploited, and revealed these new military technologies in the Gulf War, has failed fully to grasp at least one of the principal lessons from that war. The lesson I refer to, that has not been fully absorbed, is the immense success of the air offensive prior to and during the hundred hour ground war. The six weeks of coordinated air attacks prior to the launching of the counter offensive on the ground significantly crippled the combat power of the Iraq forces—and continued to do that during the four days of the ground war. Nonetheless, to date the U.S. military establishment has failed to absorb the lessons of the immense success of the air war into either doctrine or war plans. In touching on so many issues, the Panel failed to note the centrality of this issue of strategy. And the Air Force itself has been remiss. For so many years it treated "strategic" and "nuclear" as synonymous that it failed to analyze and articulate the strategic role that Tac Air can play.

Despite all our talk of jointness, the Services still have yet to formulate a sufficiently shared vision of our military future. Air

power is not just an ancillary to the ground counteroffensive. If we have air superiority, it too can attrit enemy ground forces. And it can do so at a far lower cost in American blood. All this potentially has major implications for budgets and force structure. It is ironical that those who comment upon—and sometimes complain—that sixty percent of the procurement budget goes to Tac Air, have not fully grasped the potential advantages that that confers. It raises a question, for instance, whether the allocation between platforms and munitions is the right one. Given the military significance of precision-guided munitions, one wonders whether it is wise to allow our inventories to be as low as they are. (The Committee may wish to check what kind of a dent the air war against the Bosnian Serbs in 1995 or (what may be) the forthcoming military operations against Iraq put into our inventory of precision-guided weapons.) It is a regrettable fact that, if inventories are constrained and are expected to be limited, that in itself may alter military plans—in a way that makes them less effective. The size of inventories is also a choice.

An issue of at least equal importance that we have not yet thought through is what dependence on these newly-available military technologies may do to our vulnerability. Not only is the United States more dependent upon these technologies than any other nation, its extraordinary military leverage now comes from these technologies. That makes us more vulnerable to all of those stratagems that fall under the rubric of information warfare.

That underscores at least two things. First, it is essential for the United States to continue to forge ahead of other nations, not only in the exploitation of information warfare, but in defensive measures. Other nations are now industriously studying how to exploit information warfare. The secret is now out.

Second, we must continuously examine whether or not we are becoming *overly dependent* on these new technologies in a way that might create a critical vulnerability. If these technologies are essential as force multipliers, neutralization by others of our exploitation of these technologies would place us at an immediate disadvantage. We must, therefore, examine to what extent we should hedge against such a vulnerability. Such hedging could be costly. To hedge against the neutralization of force multipliers, one can maintain larger forces. But if one were totally to hedge, one would forfeit the cost benefits (though not the benefits in effectiveness) embodied in the revolution in military affairs.

I close by reminding the Members of the Committee of the longer-term problems of sustaining our military advantages and thereby sustaining our ambitious foreign policy. The Department of State has recently stated (in response to Russian complaints about our indifference to their sphere of influence in the "Near Abroad") that the Department of State states that the United States does not acknowledge the legitimacy of spheres of influence. That presumably applies only to *other* countries, since the United States, as the single universal power, regards all the outside world as its sphere of influence. Yet, if we are unable to sustain our military forces and sustain our military advantages into the 21st Century, despite the ambitions of our foreign policy, we would be obliged to retreat.

Mr. Chairman, I thank you and the Members of the Committee for your attention. I would be pleased to answer any questions that you may have.

MEMORIAL FOR ISRAELI PRIME MINISTER YITZHAK RABIN

Mr. KENNEDY. Mr. President, two years ago last November, Israel lost its beloved Prime Minister, Yitzhak Rabin, and the world lost a great peacemaker. My son Patrick and I had the sad honor of traveling to Israel for the funeral. Like millions of people around the world, we admired his leadership and the power of his vision of reconciliation between Israel and the Arab world.

On November 13, friends and admirers of Prime Minister Rabin gathered in Boston for a memorial service to commemorate his life and pay tribute to his leadership in putting Israel on the path to peace. His Eminence Bernard Cardinal Law, Israel's renowned poet Yehuda Amichai, and Israel's Consul General Itzhak Levanon gave voice to the grief of the world. As we work to carry on the work of peace in the Middle East, the guiding presence of Prime Minister Rabin is deeply missed.

I believe my colleagues will be interested in the eloquent reflections of the speakers at the service on Prime Minister Rabin's life and death, and especially on his extraordinary commitment to peace in the Middle East. I ask unanimous consent that the remarks at the memorial service in Boston be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

INVOCATION BY HIS EMINENCE BERNARD CARDINAL LAW

To remember is at the heart of Jewish (and Christian) faith. To recall God's covenant, His fidelity and His promises, is a solemn duty which each son and daughter of Abraham is asked to fulfill. Only by thinking back on what God has accomplished yesterday, will we have sufficient courage for today and tomorrow.

In light of this profound religious conviction, we are here to remember a life, prematurely snatched from us by the bullet of an assassin—Prime Minister Yitzhak Rabin.

Because his death had so many tragic implications, our mood may be dark and despairing as the one described in the Book of Wisdom: ". . . they seemed to be dead; their departure was reckoned as defeat, and their going from us a disaster."

Wisdom confronts and challenges this earthly despair with the emphatic reminder that, "The souls of the just are in the hands of God . . . they are at peace, for though in the sight of men they may be punished, they have a sure hope of immortality; and after a little chastisement they will receive great blessings, because God has tested them and found them worthy to be His." (Wis: 3: 1-6).

We shall also never forget—but remember with undiminished hope—Yitzhak Rabin's dream of peace between Israel and the Palestinian people. The steps toward this peace which he took with such great courage cannot be reversed, for both people have gone too far along the path toward that day when the psalmist's prayer will be answered.

Let the psalmist's words be ours this evening:

Pray for the peace of Jerusalem: "May they prosper who love you.

Peace be within your walls, and security within your towers."

For the sake of my relatives and friends I will say, "Peace be within you."

Amen.

REMARKS OF YEHUDA AMICHAH

I would like to strike a rather personal note. There were a lot of traumatic events for us, one event which has a lot of trauma in it. Trauma number one is that it is the death of our generation, the generation of people who grew up towards 1948 and we were in the Palmach, the commando unit of the Haganah, and later the Israeli army. Yitzhak was already a big commander there, I was a very small commander, and he was actually the last of the Palmachniks to fall, many years after the end of the war, and there had been about two thousand out of six thousand that had fallen in the war, so he was the last of us. And the second trauma is the trauma of Jewish history, of "milhemet achim", of Jews killing each other, and it brings up the whole traumatic event of the destruction of the second temple, and we were hoping that it would never be again.

When Yitzhak Rabin received his peace award in Oslo, he invited me and my wife to join him there, and he read this poem which I am going to read, in his acceptance speech in Oslo of the peace award.

G-d has pity on kindergarten children.

He has less pity of schoolchildren

And on grownups he has no pity at all

He leaves them alone

And sometimes, they must crawl on all fours in the burning sand to reach the first aid station, covered with blood.

But perhaps he will watch over true lovers

And have mercy on them and shelter them

Like a tree over the old man sleeping on a public bench.

Perhaps we too will give them the last rare coins of compassion that mother handed down to us so that their happiness will protect us now, and in other days.

And Yitzhak Rabin added to this poem his own words, and he said "Let's hope that now" after the peace agreement "there will be pity for all of us."

He was already, I must say, he was already in his fighting days as a commander of the Har-El brigade, he had already the clear eyes of vision towards peace. While he was deeply involved in winning that war against this vast Arab majority, in his eyes there was something of a vision, very harsh and hard vision of peace. While all of us were still involved in war he was a very down to earth like our prophets. He never was enthusiastic or showed enthusiasm about peace, he was always very inverted, and very much introverted, but he was down to earth like our prophets. Perhaps the most famous prophecy of peace in the bible is about the lamb and the wolf shall lie alongside each other and not disturb each other. They never, the prophets were down to earth, they knew that love and peace may be far away, but at least you start by two enemies lying alongside each other without disturbing each another. And Yitzhak Rabin was one of those, that is why his vision was so wonderful because it was down to earth. I would like, I think that in a way, with Yitzhak Rabin, it is perhaps the greatest trauma for all of us. It was as if, in your American terms, Kennedy and Lincoln were murdered with him again, because he engulfed everything—the beginning of the state, and the middle of the state, the war and the peace, our national anthem is called Hatikvah, The Hope. And I hope that we will still have, and his spirit will not let our hope die.

And I would like to finish with a poem that I read at his first "shloshim," first memorial in Jerusalem. And it is about a friend of both of ours who was in the Palmach and who fell back in 1948, and I wrote this poem and I think it fits Yitzhak too.