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Senate

The Senate met at 8:30 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The guest Chaplain, Rev. Monsignor Peter J. Vaghi, St. Patrick's Catholic Church, Washington, DC, offered the following prayer:

Almighty God and Father, we call upon You this day in this year of Jubilee, in this year marking a new millennium of Your unique presence in our midst. Help us to recognize You in this Chamber—in the words that are spoken here and in every action which takes place here. Draw us close to You that we might know You all the more and come to love You as no other. Because of You, after all, "we live and move and have our being".—Acts 17:28.

This is a Chamber of law in a Nation under God. There is no greater law than the law of love which You continue to inscribe on our hearts. That law alone gives us peace. It is Your law. Lifting our hearts and voices to You, we pray on this July day that ancient Hebrew psalm: "O Lord, great peace have they who love your law".—Psalms 119:165.

We pray for that peace today. We pray for the wisdom to know and fashion concretely on Earth the law which You write on our hearts. Fill us each and every day, O Lord, with Your peace and love, a love which makes us ever more sensitive and vigilant to You. For You are alive in each and every person we are called to serve.

Finally, Almighty Father, we seek this day Your encouragement in all our humble efforts carried out in Your life-giving name. It is You we serve, You we love, and You who remain our peace forever. Amen.

PLEDGE OF ALLEGIANCE

The Honorable RICK SANTORUM, a Senator from the State of Pennsylvania, led the Pledge of Allegiance, as follows:

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

The PRESIDING OFFICER (Mr. SANTORUM). The Senator from New York.

GUEST CHAPLAIN, REV. MONSIGNOR VAGHI

Mr. MOYNIHAN. Mr. President, as those who were present will recognize, Monsignor Peter Vaghi is a member of the Senate family. He served here some years ago as the assistant to our esteemed and beloved brother, PETE DOMENICI. He is now the pastor of old St. Patrick's, or St. Patrick's Church on 10th Street, in the city, which is the oldest denominational church in the Federal city. It was founded in 1794 to provide for the religious needs, in the main, of Irish construction workers building the White House and the Capitol. Then came the Italians who were recruited for Jefferson's Marine Band, which was the principal source of culture and enthusiasm in the city in those days.

When the British arrived with their horrendous purposes—corresponding exactly, I have to say, as a New Yorker, to the New York forces, which rode across Lake Ontario and burned the city of York, then their capital, what we now know as Toronto—in the manner of the military of those days, they responded.

There were a sufficient number of British troops in town for a period that they, too, went to St. Patrick's. It has been a long relationship with the Nation's Government, as well as the parish—in no sense to make an issue of the matter, but simply to record a certain amount of patience. Monsignor Vaghi is, of course, a Roman Catholic. The Roman Catholic ministers are descendants of the one Roman Catholic Chaplain we have ever had in the Senate, Rev. Charles C. Pise, who served a

year, as was the practice, from 1831 to 1832.

There descended on the Nation a spell of religious fanaticism—if you like that term, if you accept that term—which we associate with the "know-nothings." When they were asked what they were doing about these matters, they would respond, "I know nothing." And for a period of about 40 years—up to and including the Presidency, one regrets to say, of Ulysses S. Grant—the anti-Catholic forces in this country were quite alarmed and, if not ubiquitous, to be found in most places.

We have a curious debt to those people, which is the Washington Monument, as designed by Mills. It was to be the great obelisk, but it also was to be surrounded at the base with prancing stallions, such that we would never see the pristine statement that we now have. It was built with voluntary contributions by the Washington Monument Association. You can see them if you walk up; there are bas-reliefs inside saying who contributed.

In 1854, Pope Pius IX contributed a block of marble from the Temple of Concord in Rome, and a group of alert citizens learned that the installation of this block of marble was to be the signal for the Catholic uprising, and they broke into the stoneyard and dumped the block of marble somewhere in the Potomac. There was a measure of scandal, and the stump just stayed there indefinitely—until 1880. The Congress got nervous about the matter as the Centennial was coming, and the Corps of Engineers was dispatched to finish the job, which they did.

You can see a change in the color about a quarter of the way up. But also we were spared the prancing stallions, so there is some good that comes of all these things.

It is just such an honor to have the Monsignor with us. I speak as one of his parishioners. His family, Mr. and Mrs. Vaghi, are in the gallery today, as

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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is Father Murphy and another parishioner. We welcome them. Although we are formally not supposed to acknowledge that anybody is up there, I think no one will mind on this occasion.

It is very fortunate for us to have him today. We thank him. We will spare him the debate that now commences with my dear friend, Senator ROTH, one long day of the death tax.

With that I thank him, I thank the Chair, and I yield the floor.

DEATH TAX ELIMINATION ACT

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, what is the pending business?

The PRESIDING OFFICER. The clerk will report H.R. 8.

The legislative clerk read as follows:

A bill (H.R. 8) to amend the Internal Revenue Code of 1986 to phase out the estate and gift taxes over a 10-year period.

The Senate proceeded to consider the bill.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. As I conferred with the Chairman of the Finance Committee, the first amendment that the two leaders wish to be offered today is the Democratic alternative, which the senior Senator, the ranking member of the Finance Committee, will offer as soon as he completes his business with the guest Chaplain.

I indicate to all Senators listening, this matter has 2 hours evenly divided. Of course, we note at 9:30 we are in a break for 3 votes. So there is no need that we necessarily have to have the full 2 hours of debate on each side. Our leader has directed me—I am trying to think of a gracious way of saying this. I am going to be the one who distributes the time on the bill, and inasmuch as we have only 20 minutes after time is evenly divided, on each of the 20 amendments we have today, we have to watch everything and make sure we follow the time guidelines. The leaders are not sure when votes will occur, other than the 9:30 votes.

At this time I yield to the Senator from Delaware.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDING OFFICER. The Senator from Delaware.

SCHEDULE

Mr. ROTH. Mr. President, I have a statement to make on behalf of the leader. I recall what my colleague said about today. I hope we can move as expeditiously as possible. It is not necessary that on each of these amendments we take the full time. Obviously, there should be full debate, but I hope, since we have 20 amendments, we can move, as I say, with dispatch.

Today the Senate will begin debate on the Death Tax Elimination Act. By previous consent, the Senate will pro-

ceed to the final votes on the Department of Defense authorization bill at approximately 9:30 a.m. Following the disposition of the DOD authorization bill, the Senate will resume the death tax legislation with amendments to be offered and voted on throughout the day.

As previously announced, the Senate will complete action on the death tax bill and the reconciliation legislation prior to adjournment this week. Therefore, Senators should be prepared for a late Friday session and a Saturday session if necessary.

I thank my colleagues for their attention and yield the floor.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER. Under the previous order, leadership time is reserved.

DEATH TAX ELIMINATION ACT—Continued

Mr. REID. Mr. President, I yield the Senator from New York whatever time he may consume of the 2 hours.

The PRESIDING OFFICER. The Senator from New York.

AMENDMENT NO. 3821

Mr. MOYNIHAN. Mr. President, I rise for the purpose of offering an amendment in the nature of a substitute. I send the amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN] proposes an amendment numbered 3821.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To amend the Internal Revenue Code of 1986 to increase the unified credit exemption and the qualified family-owned business interest deduction, and for other purposes)

Strike all after the first word and insert:

1. SHORT TITLE.

(a) SHORT TITLE.—This Act may be cited as the "Estate Tax Relief Act of 2000".

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

SEC. 2. INCREASE IN AMOUNT OF UNIFIED CREDIT AGAINST ESTATE AND GIFT TAXES.

(a) IN GENERAL.—The table contained in section 2010(c) (relating to applicable credit amount) is amended to read as follows:

"In the case of estates of decedents dying, and gifts made during:	The applicable amount is:
2001, 2002, 2003, 2004, and 2005	\$1,000,000
2006 and 2007	\$1,125,000
2008	\$1,500,000
2009 or thereafter	\$2,000,000."

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

SEC. 3. INCREASE IN QUALIFIED FAMILY-OWNED BUSINESS INTEREST DEDUCTION AMOUNT.

(a) IN GENERAL.—Paragraph (2) of section 2057(a) (relating to family-owned business interests) is amended to read as follows:

"(2) MAXIMUM DEDUCTION.—

"(A) IN GENERAL.—The deduction allowed by this section shall not exceed the sum of—

"(i) the applicable deduction amount, plus

"(ii) in the case of a decedent described in subparagraph (C), the applicable unused spousal deduction amount.

"(B) APPLICABLE DEDUCTION AMOUNT.—For purposes of this subparagraph (A)(i), the applicable deduction amount is determined in accordance with the following table:

"In the case of estates of decedents dying during:	The applicable deduction amount is:
2001, 2002, 2003, 2004, and 2005	\$1,375,000
2006 and 2007	\$1,625,000
2008	\$2,375,000
2009 or thereafter	\$3,375,000.

"(C) APPLICABLE UNUSED SPOUSAL DEDUCTION AMOUNT.—With respect to a decedent whose immediately predeceased spouse died after December 31, 2000, and the estate of such immediately predeceased spouse met the requirements of subsection (b)(1), the applicable unused spousal deduction amount for such decedent is equal to the excess of—

"(i) the applicable deduction amount allowable under this section to the estate of such immediately predeceased spouse, over

"(ii) the sum of—

"(I) the applicable deduction amount allowed under this section to the estate of such immediately predeceased spouse, plus

"(II) the amount of any increase in such estate's unified credit under paragraph (3)(B) which was allowed to such estate."

(b) CONFORMING AMENDMENTS.—Section 2057(a)(3)(B) is amended—

(1) by striking "\$675,000" both places it appears and inserting "the applicable deduction amount", and

(2) by striking "\$675,000" in the heading and inserting "APPLICABLE DEDUCTION AMOUNT".

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

SEC. 4. SENSE OF SENATE REGARDING SAVINGS.

It is the sense of the Senate that the reduced cost to the Federal Treasury resulting from the amendments made by this Act as compared to the cost to the Federal Treasury of H.R. 8 as received by the Senate from the House of Representatives on June 12, 2000, should be used exclusively to reduce the Federal debt held by the public.

Amend the title so as to read: "An Act to amend the Internal Revenue Code of 1986 to increase the unified credit exemption and the qualified family-owned business interest deduction, and for other purposes."

Mr. MOYNIHAN. Mr. President, a little background. In 1906, President Theodore Roosevelt sent a proposal to Congress to impose an estate tax. He justified the measure as follows. He said:

A heavy progressive tax upon a very large fortune is in no way a tax upon thrift or industry as a like tax would be on a small fortune. No advantage comes either to the country as a whole or to the individuals inheriting the money by permitting the transmission in their entirety of the enormous