''My entire life I've done things that have prepared me for this job,'' Mr. Reich said last week.

Mr. Reich said the administration had had no involvement or knowledge—indeed had been operating under an ''information blackout'' in the first hours of the revolt on April 11.

He defended his decision on the next day to establish contact with Pedro Carmona Estanga, the business leader who sought to replace Mr. Chavez. He said the administration would have been criticized even more harshly had it failed to warn Mr. Carmona of its desire to see democratic processes respected.

''I think it would be irresponsible not to do it,'' Mr. Reich said.

□ 1945

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3763, CORPORATE AND AUDITING ACCOUNTABILITY, RESPONSIBILITY, AND TRANSPARENCY ACT OF 2002

Mr. DREIER, from the Committee on Rules, submitted a privileged report (Rept. No. 107–418) on the resolution (H. Res. 395) providing for consideration of the bill (H.R. 3763) to protect investors by improving the accuracy and reliability of corporate disclosures made pursuant to the securities laws, and for other purposes, which was referred to the House Calendar and ordered to be printed.

DEATH TAX

The SPEAKER pro tempore (Mr. FORBES). 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. Mr. Speaker, this evening I want to cover a couple of points. Especially, I want to focus tonight on one area, and that is the death tax, and the differences between our parties, between the Republicans and the Democrats when it comes to the death tax. This is clearly reflected by the votes of the last couple of years. When I speak in Special Orders, most of the time I try not to speak in a strong partisan fashion. There are a lot of issues that span both sides of the aisle. There are a lot of issues that are not necessarily a division between Republicans and Democrats, but rather a division between urban and rural areas; or there are issues that partisanship is divided, not Republicans and Democrats, but geographical location in the Nation.

For example, many times I have taken this podium and spoken about water in the East as compared to water in the West, the issues of public lands which are almost exclusively found in the West as compared to the private lands found in the East. There are a number of different issues, so not every issue that we deal with up here falls along partisan lines. But there comes a time when there is an issue that falls along partisan lines where the majority of one party is on the opposite side of the majority of the other party, and tonight is one of those nights that I want to speak about an issue.

The reason I bring this up is because of the impact it has on my district in Colorado, and the impact that it has on the American dream and throughout this Nation, not necessarily the people from Colorado, but the people from the other 49 States, and it is the death tax. It is a tax that the Democrats, time and time and time again, go back to their districts and talk about how terrible it is and come back here and vote to support it, to keep the death tax in place. I am tired of it. This thing is killing people out there, no pun intended.

This death tax is devastating to a lot of American citizens. It is of little benefit to the government. Our government gets very little tax revenue from this death tax; but time and time and time again, the Democrats continuously through their leadership continue to support the death tax. Every time we talk about it, they make it look like we are talking about the Gates families or the Ford families or those kinds of families out there. They completely ignore the fact that the wealthiest families in this country which they say that the death tax is directed at, those families have estate lawyers and trusts. Those families have life insurance to take care of a death and the costs related to that and the cost related to the death tax.

What the Democrats do ignore time and time again is what it does to the middle class in this country. What do I mean by the middle class? Look at what one has to own today to be subject to the death tax. If you are in construction, you are not a wealthy person. Let us say you are a woman. And women in business, by the way, have jumped dramatically, so the impact against women that this death tax has also jumped dramatically. You will see the Democrats jumping up and down about women in business and we are for women in business.

Next time you hear one of your Members from your district say that, you have to be prepared to defend. Why do I vote for the death tax and why do I support the death tax which has an inappropriate impact on women in business? Let us say you have a woman who owns a couple of dump trucks, a backhoe and a small office building, not a big office building, just small. Let us say she has a trailer and a semi to haul the backhoe around on. She is now subject to the death tax upon her death.

What is the death tax and how does it work? That is what we are going to talk about this evening, because I want Members to understand clearly how negative the impacts are. Tonight I intend to read a few letters from families, diverse in their interests, farm families, small business families, contractors, children of families who have had businesses go from one generation to the other, which as we know in this country is significantly diminished in large part due to the death tax. Let me just kind of point out a couple of things to start with.

Last year the President, with the help of the Congress, we put together a tax reduction package. No matter how hard we tried, we could not get the Democrats, and we had 58 of the Democrats in the House who came across, but the real impact, their leaders, we begged them to join us. We asked them, come on, let us get rid of this death tax. Look what is happening to middle America. Look what this does. But we could not get them to budge.

The best we could do last year in our effort to eliminate the death tax was to get a compromise to lift the exemption. Here in 2004 it works its way up to $2 million. In 2006, it works its way up to $3 million; and 2010, it works its way up to $4 million, actually $3.5 million. But guess what happens in 2010? Here is what the exemption is. In other words, if you have an estate worth $3.5 million, the first $3.5 million is exempt from the death tax.

Then in the year 2010, look what happens in 2010. In the year 2010, the exemption is zero, because guess what happens for 1 year? For 1 year the death tax goes away. Zero. Then what happens? Then all of a sudden it goes back to normal in 2011 because we could not make it permanent. The reason we could not make it permanent is we did not have enough Democratic votes in our conference committee to come across.

Let me say again, colleagues, I do not like to be partisan every time I speak up here, I rarely am, but tonight the issue demands it because it is a clear distinction between Democrats and Republicans. The Democrats continually support the continuation of that death tax; the Republicans on a continual basis oppose the death tax.

Last year we were able to get a compromise to at least lift the exemption. The exemption, as my colleagues know, is that amount of money that you get before the government starts to tax your estate. It has been $675,000 before the tax package agreement. So we had the tax package agreement which does not do away with the death tax initially, but allows you to lift the exemption. And that is what this chart reflects, from $675,000 on up to $3.5 million, and then the death tax actually goes away for 1 year. But then it sunsets.

What is sunset? Sunset, as my colleagues know, this tax bill evaporates and we go back to the same taxes we had in 2000. In other words, we are back to a $675,000 exemption which takes that woman contractor that only owns a backhoe, a dump truck, and some other equipment and maybe a small office building, it makes her estate subject to the Federal death tax.

Let us talk about what the Federal death tax is, and we need to make this

clear at the beginning. The death tax is not on property that has not been taxed. This is not property that one has been able to evade the tax man for many years, that the people who own this property have not carried their fair share. They have. They paid taxes on it when they bought it. But the government comes in and says it does not matter to us that you paid taxes once or twice, or in some cases three times, we are going to tax it again simply because of the event of death. Even though your property has been taxed, even though you have paid for it again and again and again in some cases, you still get taxed as if it were never taxed upon your death.

How did such an egregious tax start? Let me say there is no justification, in my opinion, for the death tax anywhere in our tax system. If you take a look at the history of our tax system, if we look at it from a historical view, the debates when we put taxes together throughout the history of this country, when we came up with the income tax, nobody ever envisioned, certainly our forefathers when they drafted the Constitution would never have envisioned that upon your death the government would come into property upon which you had already paid your taxes and tax it again. They never thought that would happen.

Mr. Speaker, how did it come about? It came about because of jealousy. In this country the American dream is to succeed. We educate our kids. All of us grew up with the dream of some type of success. Having a family is, of course, one of our big dreams; I as a father, my wife as a mother, one of our big dreams is to have something to leave to our kids so our kids can get a start in their life.

I cannot leave my congressional seat, obviously, but I always did dream, I did dream of having something physical like a construction company or some kind of business that I could get my kids to work with me, and then turn the business over to them. Well, this tax dashes that. This tax puts a knife in the center of it. It is amazing how few base businesses pass to the second generation. I think 70 percent do not make it to the second generation, and 80 percent do not make it to the third generation. Those are pretty rough numbers.

How can one conceive such a tax like this? Why would the lawmakers put this tax in place? As I said, it is jealousy. We urge people to be great, enjoy the fruits of your labor. Have Members heard that before, enjoy the fruits of your labor? Around the turn of the century, there were some big families which made a lot of money, the Rockefellers, the Carnegies, the Fords, Chrysler, a lot of these big families, and there was a lot of jealousy at that point in time.

□ 2000

The government decided to respond to some public pressure and said, ''Hey, let's penalize those people. They've made too much money. They shouldn't be able to pass that money from one generation to the next. After all, the government needs the money to fight a war or to fight a depression. Let's go ahead and let's go after those families.''

Well, they did. Of course, what did those kinds of families do? They have the resources to hire the necessary professional help, which is legal, of course, to hire the necessary professional help so that their impact on this is not nearly as significant as the impact is on middle America. So this tax got put into the system, more of a target towards Carnegie and Ford.

So this tax gets created, put into our taxing system, and I will tell you something; once the government figures out a tax, it is very, very hard to ever get rid of it. The battles that we had on the floor last year, I was astounded that any Democrat stood up and defended the death tax, that any Democrat could stand up and do that. By the way, to the best of my recollection, we did not have one Republican stand up and defend the death tax. Every Republican stood against it. And to 58 Democrats' credit, 58 of them, not all of them, not even close, what is that, maybe a fourth of them, a fifth of them stood up to oppose it; four-fifths of them supported this death tax. So this thing has continued and continued and continued. I hope the Senate has some kind of vote on this thing, that we can eliminate this death tax.

This death tax does not serve any of us. It does not help the government in revenues. Let me tell you, it does not just go against the wealthy people at all. You would be surprised, colleagues, when you go back to your district, take a look that anybody that is at all financially successful, in some of your States like California where you have high home prices, or in Massachusetts or in any of those kind of communities, if a person owns their home in some of those communities free and clear, they could be in that category where they face a death tax simply because of the fact they saved their money, they paid the taxes on their house when they bought the house, they worked hard, they got the house paid off, and now all of a sudden upon their death the family to whom they want to leave this to will have to pay the taxes.

You will understand after I read some of these letters. We are not talking about the Gates family here. We are not talking about the wealthiest families in the country. We are talking about middle America. And we are talking about the need to stand up and say enough is enough.

Look, we all have to pay taxes. That is how we fund things. That is how we fund our highways, our schools. Thank goodness we paid taxes many, many years ago and funded a terrific military, a machine that could protect this Nation in a time of need. But there is a point of ridiculousness. There is a point of absurdity. That point is reached when you put the death tax in place.

Let me just cover a couple of points. One point I want to make before we get started too much here is these people that come out, and I heard this just the other day, somebody said, ''Why are you complaining about the death tax? That's what life insurance is for.''

For example, a ranching family. The ranching family, usually most ranching families are what you would call land rich, cash poor. The land has been around and they have accumulated land, but the revenue that comes off the land is very limited. They do not have a lot of cash. So you talk to people, and this is what happened to me the other day. I was talking to somebody, in this particular case we were talking about a ranch in Colorado. I was talking about that family. He said, ''Well, the death tax isn't unfair. That's why you have life insurance. Go out and buy life insurance.'' I heard that last year from some of the Democrats: ''Why, you ought to go out and buy life insurance.'' It was almost as if the special interests up here in regards to life insurance had done a lot of lobbying right before to sell life insurance as a justification for the death tax. In this particular case when I was talking to the individual about this ranch, I said, ''Oh, yeah? Why don't you pick up a telephone. You show me one life insurer that is going to be willing to sell a life insurance policy to the 65-year-old rancher that owns this ranch.'' Where do you think he is going to get the money, or in this case he and she, because it was a husband and wife operation. Actually the husband was 67 and the wife was 65. Who do you think is going to insure them? Oh, sure, they will start writing you life insurance at 67 or 65, maybe if you get a million-dollar policy they will sit down and write you for a premium of a couple of hundred thousand bucks a year.

That is the whole point. The small people, middle class America, the middle class of economics here, they cannot afford the premiums for life insurance to take care of this unjustified tax. Why should they have to buy it in the first place? How can you in a democratic society that practices capitalism, how can you justify a tax based solely on the fact that you have died on property that you have already paid taxes upon? How can you do that? You cannot justify it.

Let me jump in here and read some letters to you. Again, I do not speak from written notes. These are actual letters that I have received in regards to this terrible death tax and what it does. These people feel like they have been fooled, that the death tax goes away in 2010 and then it leaps from the grave, as the Wall Street Journal puts it, leaps from the grave the next year. By the way, any of you that cannot afford life insurance, whose family will be devastated by the death tax, look, do not die until 2010. Those of you from

an economical point of view who are lucky enough to die at 2 minutes to midnight 2010, are going to be a whole lot luckier than those people who die 2 minutes after midnight and go back to a full estate taxation.

Let me read some letters.

''Dear Mr. MCINNIS:

''I'm writing to encourage you to keep up the battle of the death tax. As an owner of a family business, it is extremely important that upon our death, this business be able to be passed to our daughter and our son, both of whom work with us in the business, without the threat of having to liquidate to pay inheritance taxes on assets that have already been taxed once. Of all the taxes we pay, this one is double taxation and it's unfair.''

I can tell you that word is probably the most accurate word of the whole letter. It is unfair. Where is the fairness in this, Democrats? You are the guys that carried it. You are the guys who continue to support this. You are the guys that put it in place. You are the guys that work against us to get rid of it. Again I want to stress, I am not up here to start a partisan fight. I am up here to clearly define where the lines are on the death tax. One party has stood time and time again in unison to eliminate the death tax. The other party, the majority of whom have stood time and time and time again to look at an individual like this, a gentleman and his wife that want their son and daughter to continue in business and said, ''Too bad. You're rich. We need the money for society. We'd rather take the money from those of you who work and achieve the American dream and pay your taxes, we'd rather hit you with double taxation and transfer that money to people that don't work.''

That is the essence of your argument. And it does not hold water. Let me continue with the letter.

''I'm aware that several wealthy people like, for example, Bill Gates Sr.''—not Bill Gates, Jr.—''Bill Gates, Sr., and George Soros have come out against repeal of the death tax.''

Let me address that. These people are the billionaires, or close to it. They ran an ad, I think, in the New York Times, the most liberal newspaper in the United States, they ran an ad that said, ''Hey, we support the death tax. It is only fair that rich people pay an extra tax on property that has already been taxed upon their death.''

The Gates family has what is called the Gates Foundation. What do you do when you have a foundation? You evade, and not illegally, you legally are able to avoid those death taxes.

George Soros, do you not think George Soros has an entire roomful of trust attorneys? Do you not think every person who signed that ad has already made arrangements to get around the death tax? I would venture to challenge every one of my colleagues, any of my colleagues today whose net worth would put them into the death tax category, any of you sitting here today, my guess is that any of you that voted against eliminating the death tax have already done your estate planning so that you do not have to pay the death tax or so that you minimize the death tax that you pay. My guess is not one of you who voted against elimination of the death tax, not one of you that is worth, say, over $1 million today, so you are going to be subject to the death tax, not one of you has not already protected yourself through some kind of legal counseling on how to evade it. That is the same thing that is referenced in this letter. It is always easy to stand up and say, ''Hey, I think it's a good tax'' when you do not have to pay it.

It is pretty interesting, is it not, the support for a tax comes from the people who do not have to pay for it. That is exactly what that ad was about.

Let me go on to another letter. This one, by the way, was signed by Tony and his wife.

This is from John:

''I wish there were some way I could help to get these death taxes eliminated, the most discriminatory and socialistic taxes imaginable.''

That is another key word, socialism. This is a society of capitalism. We have a democracy in the United States. We are not socialists, where we make everybody equal, where we go out and say, ''All right, Johnny, you have a farm. You were successful in your farm. Joey over here didn't do any work, wasn't at all ingenious, didn't do anything to help society, but we're going to take the money and the rewards that you had and we're going to equal it out.'' That is what the original intent of the death tax was, and this individual, a fellow by the name of John, picked up on that.

He says, are we in a socialistic society? Why do we have this death tax? Where is the fairness of it? He goes on:

''How can anyone,'' and I want the Democrats that voted to keep the death tax in place, I want the Democrats to listen to this: ''How can anyone advocate taxing somebody twice?''

How can you do it? Where is the fairness of it? How can you tell me it is not socialism? I do not care if it is a millionaire or a pauper. It is not the government's money and the taxes have been paid. That is what he writes in this letter. I do not care whether you are a pauper or a millionaire. It is not fair. And the taxes have already been paid.

Why should a family working for 45 years and paying taxes on time every year, year after year after year, be forced into this position? I do not know, John, other than the fact that we have Members of the U.S. House of Representatives, colleagues, who continue to support a death tax, who continue in force, especially, and there is a huge party difference on this, and let me repeat again. Last year, to the best of my knowledge, not one Republican stood up and supported the death tax. They all voted to eliminate it. Four-fifths or so of the Democrats supported the death tax and keeping it.

Let us go on. There are some other interesting letters. Marshall writes this letter, Marshall and his wife:

''We have operated as a family partnership since the middle 1930s. My parents died about 5 years apart in the 1980s. And the death tax on each of their one-fifth interest was three to four times more than the total cost of the ranch that was purchased in 1946.''

In other words, because of the death tax, Marshall says his parents each owned a fifth, they each owned a fifth of this ranch, and the taxes on each of their fifths exceeded what the original purchase price of the ranch was. Where is the fairness in that?

''Eliminating the death tax will go a long way towards providing jobs.''

In fact, Marshall, I will give a couple of points here that I think are pretty important, to tune in on Marshall's letter. Sixty percent of small business owners report they would create new jobs over the coming year if they knew the death taxes were eliminated. Half of those who must liquidate the business to pay the IRS will each have to eliminate 30 or more jobs. To pay that bill on average, small business will have to eliminate 30 or more jobs for each estate. One-third of small business owners today will have to sell outright or liquidate a part of their company to pay the death taxes. More than 70 percent of family businesses do not survive the second generation. And 87 percent do not make it to the third generation.

And Marshall, in talking to colleagues, this letter from Marshall, let me add something else for you to consider. The death tax hits women business owners hard.

□ 2015

The impact of the death tax on small business means it is especially threatening to women who are creating small businesses at twice the rate of men. Since 1987, the number of female-owned ventures has doubled from 4.5 million to 9.1 million. Last year, women-owned companies employed more than 27 million Americans, nearly 9 million more than in 1996. And their annual sales have risen from $2.3 trillion to $3.6 trillion. The National Association of Women Businessowners strongly supports eliminating the death tax.

So the next time, I say to my colleagues, and there is a campaign here, the next time my colleagues are out there on the campaign trail talking about what they are going to do for women, those of my colleagues who voted to continue the death tax better be ready to explain to the women that are asking you that question why you continue to support a tax that hurt women unproportionately.

Let me go on from Marshall's letter: ''I have 3 sons involved in our operation, and a grandson starting college next year. It is important that we keep

agriculture viable to keep our beef industry from being integrated. We must make sure that our youth can stay on our ranches and farms.'' I agree with Marshall.

Let us go on to Nathan. This is an interesting letter. This is a young man. This is a young college student, a college student who looks out into his future and perceives kind of what this death tax is going to mean to him and to his family: ''I am a college student. I grew up in a family which has lived and thrived in agriculture. My parents and grandparents are involved in a typical family farm. We have had the farm more than 125 years. Grandpa is 76. He does not have long to go. My parents have been very worried and discussing this situation over the last several months. My parents worry about the 'death tax,' the eventual loss, and they worry about how they are going to be able to keep that farm going once he passes away. The loss of my grandfather will trigger this tax upon my family's inheritance. My parents hope that they will be able to pay this tax without having to sell any part of our family operation that our family has worked so hard in maintaining over these years. It does not look good.''

The outlook really does not look good. Farmers and ranchers are having enough trouble keeping their family operations going.

''Statistics show that the farmers are having, from an economic viewpoint,'' he says, ''a very difficult time, and yet, the Government continues to pursue this death tax. Those who say something about life insurance, we cannot afford the premiums. Statistics show that more than half of all of the people who pay these death taxes had estates that are valued at less than $1 million. My family falls under this category. It does not seem fair to me. My family's farm is not located in a rich district, but I can tell you I needed to talk to somebody. Even though we are not located where the land values are high.''

What he says here is their family is still going to be subject to this punitive tax. And that is what it is. Do my colleagues know what the word ''punitive'' means? It means penalty. There is no way to explain the death tax to our society other than to say it is a penalty for success. It is a transfer of wealth devised strictly as that, as a penalty. It is not a net revenue for the government or, if it is, it is very, very minimal, by the time we take out all of the costs and so on of collection. So it has very little benefit to the Government. Even those who are socialists or believe in what is good for all, we should have all of this equal treatment, even when we take a look at the small benefit and we put it on the scale, that small incremental benefit that it gives to the Government as compared to the devastating loss that it does to individual families that are being hit with this death tax, that scale looks just like that. That is exactly what happens to the scale. So even those of us who believe in kind of a socialistic pattern, that upon a death, the property should go to the Government and be redistributed back into the communities, take a look at that scale and tell me about the impact.

I want to tell my colleagues about a true story down in my district. We had a very wealthy individual. This individual, by the way, started as a janitor in a local construction company. His name was Joe. Joe Ashley started out, as I said, as a janitor; but he could keep books, so pretty soon he was keeping books for the construction company. Over the period of his work career which spanned 50 some years, he went from janitor to bookkeeper, worked in the bidding part of the business, and pretty soon he owned a construction company, started his own construction company. Pretty soon he was into real estate investment. He started up in a bank there in the community. Obviously, he was very successful. He did not inherit it; he worked for it. He worked a lot of days, worked hard. The American dream, it came true.

What else did he do in the community? What else? Well, he happened to be the largest contributor to his church. In fact, he underwrote 75 percent of the church's budget. He was the largest contributor in the community to the charities. He was the biggest booster for the sports club at the high school. He employed the most people in the community, gave jobs to people sometimes that needed the jobs, but did not exactly have the work for them; but he put them to work. He found something for them to do. He was probably the most popular individual in the community, not because of his wealth, but because of his personality, because of his compassion, because of what he did for people. He gave them jobs. He gave them an opportunity to protect themselves.

Well, unfortunately, not too long ago, my friend, Joe, in this community got cancer, terminal cancer; and he passed away. Do we know what happened to the money in his estate? After they got done with capital gains, which is another tax we could discuss, but after they hit the family with capital gains, and then they put the death tax on top of that, 76 cents, 76 cents out of every dollar went to the U.S. Government. Now, do my colleagues think that money stayed in that local community where it was distributed by Joe? When Joe made the money, the money stayed in the community. It went to the local bank, it went to the local charities, it went for local employment, it went for local investment. But as soon as Joe died, the government reached into this little tiny community out in rural Colorado and sucked that money out of that community and back to Washington, D.C. And then what happens back here? The money gets redistributed.

What percentage of the money they took out of that community through the death tax do we think went back to that community after Washington got its hands on it? Probably not a thousandth of a percent. Probably not one-thousandth of a percent ever made it back to the community. And for those Democrats who continue to support the death tax, you go down to the local church down there or to the local charity or to those local people that no longer have their jobs and explain why it was more important to transfer that money, to take it out of a small community in Colorado and move it to Washington, D.C. under the theory that when you die, this property should go to the Government, that death should be a taxable event.

And I say to my colleagues, I know that when some of you are out there on the campaign trail, you try to avoid this, you get a direct look from a constituent, a small businessperson, a woman in business, a farmer, a rancher, somebody who owns some property and they say, Congressman, what are you going to do about the death tax? I hope every constituent out there demands that you give them an exact answer, that they do not let you puff and fluff around it. Either you support it or you do not. Do not hide it with all of these exemptions.

That is what I am worried about this week. We are going to get an opportunity to see the death tax come to a vote I think in the other body. The question is are they going to dilute it with a lot of other amendments? It is pretty simple. Do you support eliminating the death tax on a permanent basis, getting rid of it; or are you a supporter of the death tax? And if you are, you ought to go talk to Chris, you ought to talk to some of these people, to Tony, to John, to Marshall and look them right in the eye and say to them why you think it is appropriate for the Government, upon your death, to come and take your property simply for redistribution to other people that have nothing to do with you. That is exactly what happens with the money.

When the government takes the money and your property upon your death, do you think that they leave it in that community? Of course they do not leave it in your community. Do you think they give it to a special cause that you want it to go to? Of course not. That money is redistributed to sources you would not even imagine. That money is given out, given out to somebody other than the people that you had in mind. And people, by the way, who did not contribute to your success or your family's sweat on the farm or in the small business or some other way it was accumulated.

Let me talk about another couple. Here is H.B. and Roberta: ''As you know, farming and ranching out here is no slam dunk. If our farm is ultimately faced with this death tax burden, there is absolutely no way we could ever afford and justify holding on to our farm. This, in turn, prevents us from the following.'' Think about this, and to those

Democrats that support this, that vote continually for a death tax, think about what I am saying. I am not saying, I am just repeating it. These are constituents. These are constituents. ''This, in turn, this death tax will keep us, it will keep us from having a farm for future generations. We want to keep it from becoming one more development out in the middle of the country.''

This particular location is in Colorado. Do we know what is going to happen to that farm if it does not continue to be a farm? It is going to become condominiums. Anybody that cares about the environment ought to be adamantly opposed to the death tax, because in areas like I come from, I come from a fairly wealthy part of the country, I mean where the land has really increased in value. Same for California, same for Arizona, same for parts of many of these States. Do we know what happens to that farm land? They do not continue to do it as a farm once they get their hands on it. The developers come in, and they build condominiums or they build strip malls or they lay down pavement; and that is exactly what this family, H.B. and Roberta, are saying. You are going to keep this land from being available to the deer and elk. By the way, we just saw over 600 head of elk this afternoon, and you are going to keep it unavailable for other uses.

''Scott, we are only able to meet the daily operating costs of our farm under the present economic conditions of agriculture. Unless there is some kind of positive action to eliminate this death tax, we must start making the necessary plans to arrange our affairs so that my family is the ultimate winner of lifelong struggles of both my parents, Roberta and me. We cannot allow the IRS to take it. They do not deserve it.'' That is what they say in here. The Government does not deserve it. We have already paid our taxes. They say it right here. ''We have already paid our taxes. Why are they coming back again? Is it just solely for the purpose of breaking us, of breaking up the family farm so it goes to condominiums, of taking out the ability for wildlife to enjoy those resources? Of taking the heritage of the family, the dream of many families to pass it from one generation to the next generation?''

Folks, do we not think that the Government ought to be in the business of encouraging business to go from generation to generation? Certainly my colleagues would agree, I would hope. A lot of my colleagues do not, but certainly I would hope that at some point my colleagues come to the agreement that the Government really has a role reversal here. They have it all wrong. What the Government ought to do instead of breaking up family business or family farms and preventing it from going to generation to generation, the Government ought to encourage it. The Government ought to put incentive out there.

There is a lot to be said for a farm that has generation after generation and generation of family on it, but 80 some percent of that is not going to happen primarily due to the death tax.

Let us look at a couple of other letters. Let me go on:

''Our 106-year-old mother passed away. Because we knew she was fearful of being placed in a nursing home and we never considered it an option, my husband and I took care of her in my own home for 2 days a week, alternating with my siblings. She was alert, but she was in the hospital for 5 weeks. When hoping to leave, she suddenly died. Now, guess what? We have discovered that we have to sell the family home which was acquired by our parents in 1929. We are six children who worked in it and grew up in this home.

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''Prior to the WWII, my parents had a greenhouse business on 5 acres of farm property. After the end of WWII, the family returned from'' the relocation center ''where those of Japanese ancestry were incarcerated to our home and signs that said, 'No Japs wanted.' My father died of a heart attack in 1953. My mother lost the business located on 2 acres (four greenhouses, the heating plant, and the packing shed which had two bedrooms above where many of us slept'' when they were children, or spent many nights as children. It went to the State.

''My mother was able to keep the family house, which she and my father built. The property lost its access frontage and now can only be reached by a dirt road in the back. I might add that all my siblings and I worked many hours in the business after school, weekends, and summer vacations. . . .''

Because of this death tax, this property will have to be sold. I urge Members and I ask Members, where is the fairness? How do we answer a letter like that? What do we say?

Look at this: ''My family has ranched in northern Colorado for 125 years.'' That is what Derek says. ''My sons are the sixth generation to work this land. We want to continue, but the IRS is forcing almost all ranchers and many farmers out of business.'' He says the problem is the estate taxes.

In Colorado, ''The demand for our property is very high and 35-acre ranchettes are selling in this area'' for unbelievable amounts. They have a lot of acres. ''We want to keep it open space.'' They want to keep it as a farm. They want to keep it in the family. They want their sons and daughters to continue to work it, as they had the American dream of putting their hands in the soil, but the government is making it impossible because they have a death tax. They want to penalize them.

Mr. Congressman, we have paid these taxes. This family has paid our taxes when we bought the land. We pay our taxes for our equipment. We pay our taxes on any revenue we take off this land. But they haven't had enough. The government has not had enough. Now they want to penalize us because we have been successful. But in the long run, Congressman, you do not just penalize us, you hurt the institution of our government.

And they are right. What we are doing is breaking up a family from passing business from generation to generation. We are inviting the developers to come in and destroy the open space and build condos and parking lots. There are a lot of things, a lot of things that are being destroyed by this tax that cannot be justified.

''We are one of only two or three ranchers left around here. Dad is 90 years old. We do not have much time to decide what to do. Most ranches have been subdivided. One of the last to go was a family that had been there as long as ours. When the old folks died, the kids borrowed money to pay the taxes. Soon they had to start selling cattle to pay the interest.''

When they ran out of cattle, the ranch was foreclosed on and now is in full development. That family which started out with this ranch, because of the punitive interest that they had to pay, the interest they had to pay on the punitive death tax, it broke them. Now they live in a trailer court on the other side of town.

Who would ever imagine this is what the American dream was all about? These letters go on and on and on. Every one of my colleagues, every one of them, has a duty, in my opinion, to go out to their constituents that are facing this tax. They have a duty.

And to those constituents of theirs whose businesses will be threatened because of this death tax, they have a duty to go to them and be straight with them. It is pretty easy because we have a definitive vote on the record right up there. There is a recorded vote that took place.

Members ought to be straight with them and say, ''Look, I tried to eliminate the death tax on a permanent basis. I tried to even minimize the death tax.'' Or if they are from the other side of the aisle, they would say, ''I support the death tax, even though it will break you; even though it brings very little benefit to the government.'' Even though the money that a death tax is levied against is money that is taken out of the local community and transferred to Washington, D.C., they supported that.

Keep in mind, as I said, and I will summarize it with this, I started my comments this evening by saying that my general intent when I may speak at night on these nightside chats is not to get into partisan flavor, because, as I described, there are a lot of issues up here that are not partisan. They are based more on geographical differences, the East and West, the cities and the rural areas. That is generally what I like to focus on.

But this issue is hitting us so hard, and here there is a clear division between the parties. Not one Republican,

to the best of my knowledge, not one Republican stood up last year in support of the death tax. Every Republican, to the best of my knowledge, every one of them that is a Republican opposed the death tax.

The same cannot be said for the Democrats. That is why I am taking this partisan approach, not to attack unnecessarily, but to say, come on, it is time to draw the line in the sand. Why is it that four-fifths of the Democrats in this House, why is it that they continue to support this death tax? Why is it that they will not stand with us shoulder to shoulder to eliminate the most punitive tax ever known in the history of this country?

The reason is simple. The reason is because they think it is appropriate to take money from an individual family, to take money from a community and transfer it to Washington, D.C.; take money and transfer wealth from this person to this person, for no other justification than the fact that the person that had the money or had the small business or had the farm or had the ranch is no longer alive.

They cannot fight them anymore, so I guess they think in the long run they won. But frankly, in the long run, if we continue with this death tax that has been primarily or solely supported by the Democrats, we all lose. All of us lose.

It is time to eliminate the death tax once and for all. I urge all of us on both sides of the aisle to stand shoulder to shoulder to eliminate this punishment upon the American people.

THE CONTRAST BETWEEN DEMOCRATS AND REPUBLICANS ON ENVIRONMENTAL PROTECTION ISSUES

The SPEAKER pro tempore (Mr. FORBES). Under the Speaker's announced policy of January 3, 2001, the gentleman from New Jersey (Mr. PALLONE) is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, tonight, although I know it is the day after Earth Day, I want to concentrate my remarks on the environment. The gist of my statements tonight are basically to point out the contrast between the Democrats and the Republicans on environmental protection issues.

Mr. Speaker, I have been very concerned over the last year or the last 18 months that the new administration, President Bush's administration, both in terms of actions in Congress with the Republican leadership or in agency actions as part of his administration, has done a great deal of damage to the environment, and has basically used the presidency and the power of agencies to break down a lot of environmental protection, not provide the type of enforcement action or the budgetary action that is necessary to protect the environment.

Much of this has been linked to special interests, to corporate interests, and to concerns that big business has about environmental protection, environmental regulation. Very little concern has been focused on the impact of these changes in environmental protection on the average American.

Mr. Speaker, the Democrats are committed to preserving America's air, water, and pristine lands for future generations, and are fighting to make sure that environmental protection and public health are not sacrificed to the corporate special interests.

I have been concerned, Mr. Speaker, to see both the President and the Republican leadership in the Congress not handling in a responsible way what needs to be done to protect our air, water, and land from the polluters, and forcing taxpayers to pay for the clean-up of many pollution problems, such as hazardous wastes or Superfund sites, instead of having the brunt of the cost paid for by the polluters themselves, the corporations and other responsible parties.

So in the aftermath of Earth Day, Mr. Speaker, I wanted to basically outline in some detail this evening some of the concerns I have about what has been happening under President Bush, and also with the Republican leadership that has a majority here in the House of Representatives.

I thought that I would start by detailing a few areas where I think the actions of this administration and the Republican leadership in the Congress have been particularly egregious. I wanted to start by talking about wetlands protection, because I represent a district, a large part of which is along the coast of New Jersey, along the Sandy Hook and Raritan Bay.

We have traditionally in New Jersey had a lot of wetlands, a lot of which has been destroyed. But we are trying very hard to make sure that what we have left continues to be protected.

Wetlands provide us, and I think many of us know, crucial habitat for fish and wildlife, and protect our homes from floods by soaking up water from storms and releasing it slowly over time. America has lost about 50 percent of the wetlands that it started out with, and I do not think that we can afford to let anymore of it be destroyed, Mr. Speaker. Yet, the Bush administration dramatically increased the ability of developers to develop the remaining wetlands, essentially losing those wetlands forever.

On January 14 of this year, 2002, the Bush administration undermined a balanced Army Corps of Engineers regulation protecting wetlands, which has opened the floodgates for building by developers. The EPA opposed a Corps of Engineers plan to allow more development permits, but the White House sided with the industries, with the corporate interests. This action resulted in increased wetlands development and the ability for developers to more easily qualify for development permits.

The Army Corps loosened the permit standards for this program, making it easier for developers and mining companies to destroy more streams and wetlands. Keep in mind that 50 percent of the wetlands in the country have already been destroyed, so now we are just accelerating the pace.

For more than a decade, the cornerstone of the United States' approach to wetlands protection has been a policy that calls for no net loss of wetlands. This is a policy, I might add, that originated with the first Bush administration.

I want to stress tonight that when I talk and criticize this administration and the Republican leadership in this House for doing things contrary to the environmental interest, I am not suggesting that historically the Republican Party or Republican Presidents have taken that view. In fact, it is just the opposite. We know about Theodore Roosevelt, a great conservationist. Most of the environmental protection laws that we have on the books date from the 1970s, when Richard Nixon was the President. Even the first President Bush did a lot to protect the environment.

But I see a concerted policy now with this President and the Republican leadership in this House to turn that around. With no notice or opportunity for comment, the U.S. Army's Corps of Engineers moved to reverse the longstanding policy of no net loss of wetlands by issuing a new guidance dramatically weakening standards for wetlands mitigation.

The new standards allowed wetlands to be traded off for dry upland areas, and will likely mean the loss of thousands of acres of wetlands annually. So instead of having to mitigate, when they develop, the loss of wetlands in the area, they are able to basically trade some other area in a different place, far away from the development. The consequence is that we continue to have a greater loss of wetlands.

The reversal of this no net loss policy on the part of the Bush administration is just one component, as I said, of a broader Bush administration effort to diminish wetlands protection.

Next, I want to talk a little bit, Mr. Speaker, about clean water. This is particularly close to my heart because, as I said, my district is mostly along the Atlantic Ocean, along the Raritan and Sandy Hook Bays, and along the Raritan River. Clean water is a major issue for New Jersey in general, as well as my district, because historically, we have suffered in my State from degradation of water quality.

One of the biggest problems we have had historically in New Jersey, and this is true around the country, is a problem with sewage and how to make sure that sewage is properly treated, and that we do not have raw sewage or partially-treated sewage go into our waters, into our rivers, into our harbors, into our ocean.

Sewage containing bacteria, fecal matter, and other waste is responsible each year for beach closures, fish kills,