

"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.

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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