United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 107th CONGRESS, SECOND SESSION

Vol. 148 WASHINGTON, THURSDAY, JUNE 6, 2002 No. 73

House of Representatives

The House met at 10 a.m. and was called to order by the Speaker pro tempore (Mr. LAHOOD).

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
June 6, 2002.

I hereby appoint the Honorable RAY LAHOOD to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
Speaker of the House of Representatives.

PRAYER

Rabbi Dov Hazdan, The Ner Tomid K, Staten Island, New York, offered the following prayer:

Our Father who art in Heaven, we stand before Thee as the world faces very dangerous and troubling times. We seek Thy blessing and guidance for peace and tranquility for all mankind.

Bless Thou our glorious land of liberty, our leaders and these representatives who are charged with the great responsibility of directing the affairs of our Nation. May Thy spirit dwell richly within them as they manifest abiding courage and sincere faith, in the cherished traditions of our Founding Fathers, to work for freedom, justice and peace. Grant them loving kindness and patience, understanding and foresight so that they will ever be warmed by Thy love and nurtured by Thy teachings.

May the United States of America under God remain a symbol of freedom and a watchtower from which rays of light and hope shall be beamed to those who are now living in darkness and despair. Hasten the day when the great hope of universal peace will prevail throughout the world with justice and freedom for all people. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. HYDE. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER pro tempore. The question is on the Speaker's approval of the Journal.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. HYDE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 8, rule XX, further proceedings on this question will be postponed.

The point of no quorum is considered withdrawn.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Florida (Mr. HASTINGS) come forward and lead the House in the Pledge of Allegiance.

Mr. HASTINGS of Florida 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.

ADJOURNMENT

Mr. KUCINICH. Mr. Speaker, I move that the House do now adjourn.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. KUCINICH. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 37, nays 363, not voting 34, as follows:

[Roll No. 213]

YEAS—37

Becerra	Honda	Mink
Bishop	Jefferson	Olver
Capuano	Johnson, E. B.	Rangel
Carson (IN)	Jones (OH)	Rodriguez
Clay	Kennedy (RI)	Sanders
Conyers	Kucinich	Simmons
Delahunt	Langevin	Stupak
Doggett	Lee	Tierney
English	Markey	Velazquez
Evans	Matsui	Waters
Filner	McDermott	Woolsey
Hastings (FL)	McNulty	
Hinchey	Miller, George	

NAYS—363

Abercrombie	Boyd	Cummings
Ackerman	Brady (PA)	Cunningham
Aderholt	Brady (TX)	Davis (CA)
Akin	Brown (FL)	Davis (FL)
Allen	Brown (OH)	Davis (IL)
Baca	Brown (SC)	Davis, Jo Ann
Bachus	Bryant	Davis, Tom
Baird	Burr	Deal
Baker	Burton	DeFazio
Baldacci	Buyer	DeGette
Baldwin	Calvert	DeLauro
Ballenger	Camp	DeMint
Barcia	Cannon	Deutsch
Barr	Cantor	Diaz-Balart
Barrett	Capito	Dicks
Bartlett	Capps	Dingell
Bass	Cardin	Dooley
Bentsen	Carson (OK)	Doolittle
Bereuter	Castle	Doyle
Berkley	Chabot	Dreier
Berman	Chambliss	Duncan
Berry	Clayton	Dunn
Biggert	Clement	Edwards
Bilirakis	Clyburn	Ehlers
Blagojevich	Coble	Emerson
Blumenauer	Collins	Eshoo
Boehlert	Condit	Etheridge
Boehner	Costello	Everett
Bonilla	Cox	Farr
Bonior	Coyne	Fattah
Bono	Cramer	Ferguson
Boozman	Crane	Flake
Borski	Crenshaw	Fletcher
Boswell	Crowley	Foley
Boucher	Culberson	Forbes

Printed on recycled paper.

Ford
Fossella
Frank
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Harman
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hilliard
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Hooley
Horn
Hostettler
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Kanjorski
Keller
Kelly
Kennedy (MN)
Kerns
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kleczka
Knollenberg
LaFalce
LaHood
Lampson
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Levin
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lucas (KY)
Lucas (OK)
Luther
Lynch
Maloney (CT)
Maloney (NY)
Manzullo
Mascara
Matheson
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McGovern
McHugh
McInnis
McIntyre
McKeon
McKinney
Meehan
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller, Dan
Miller, Gary
Miller, Jeff
Mollohan
Moore
Moran (KS)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Reyes
Rivers
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Sanchez
Sandlin
Sawyer
Saxton
Schaffer
Schakowsky
Schiff
Schrock
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simpson
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Stenholm
Strickland
Stump
Sullivan
Sununu
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Toomey
Turner
Udall (CO)
Udall (NM)
Upton
Visclosky
Vitter
Walden
Wamp
Watkins (OK)
Watson (CA)
Watt (NC)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Wu
Wynn
Young (FL)

NOT VOTING—34

Andrews
Armey
Barton
Blunt
Callahan
Combest
Cooksey
Cubin
DeLay
Ehrlich
Engel
Gilchrest
Gordon
Goss
Gutierrez
Hilleary
Houghton
Kaptur
Kirk
Kolbe
Lantos
Lewis (GA)
Lowey
Meek (FL)
Moran (VA)
Rahall
Reynolds
Riley
Towns
Traficant
Walsh
Watts (OK)
Wexler
Young (AK)

□ 1028

Messrs. GILMAN, DAN MILLER of Florida, LARSON of Connecticut, POMEROY, UDALL of New Mexico, QUINN, KILDEE, AKIN, BERRY, BOEHLERT, SHAW and Mrs. CAPPS changed their vote from ''yea'' to ''nay.''

So the motion to adjourn was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Ms. KAPTUR. Mr. Speaker, the following Members were unavailable for rollcall vote 213 this morning, on the Motion to Adjourn, due to a meeting we were holding with President of Egypt Hosni Mubarak at Blair House relating to the Middle East Peace Process:

The gentleman from Alabama (Mr. CALLAHAN), the gentleman from Arizona (Mr. KOLBE), the gentleman from Florida (Mr. GOSS), the gentleman from California (Mr. LANTOS), myself, the gentlewoman from Ohio (Ms. KAPTUR), the gentleman from West Virginia (Mr. RAHALL), the gentleman from Virginia (Mr. MORAN), and the gentlewoman from New York (Mrs. LOWEY).

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LAHOOD). The Chair announces that 1-minutes will be postponed until the end of the day.

□ 1030

PRIVILEGES OF THE HOUSE

Mr. KUCINICH. Mr. Speaker, under rule IX, I rise to a question of the privileges of the House, and I offer a resolution.

The SPEAKER pro tempore (Mr. LAHOOD). The Clerk will report the resolution.

The Clerk read the resolution, as follows:

Whereas the President's constitutional duty is to faithfully execute the laws of the United States, and

Whereas, under the Constitution, treaties have the status of ''supreme law of the land,'' equally with other laws, and

Whereas, the President does not have the authority to repeal laws, and

Whereas, the President is not authorized to withdraw unilaterally from treaties in general, and the Anti-Ballistic Missile Treaty in particular, without the consent of Congress, and

Whereas, the President unilaterally withdrew the United States of America from the Anti-Ballistic Missile Treaty of 1972 without seeking or obtaining the consent of either house of Congress; therefore be it

Resolved, That the President should respect the Constitutional role of Congress and seek the approval of Congress for the withdrawal of the United States of America from the Anti-Ballistic Missile Treaty.

POINT OF ORDER

Mr. HYDE. Mr. Speaker, I make a point of order that the resolution does not constitute a question of privilege under rule IX of the rules of the House.

Mr. Speaker, I would like to speak specifically to the parliamentary issue before the House, whether the resolution offered by the gentleman from Ohio constitutes a question of privilege. The starting point for this inquiry is the rules of this institution, and in particular rule IX which governs questions of privilege.

Rule IX states that in order for a resolution to constitute a question of privilege of the House, it must deal with matters ''affecting the rights of the House collectively, its safety, dignity and the integrity of its proceedings'' or ''affecting the rights, reputation and conduct of the Members, Delegate or the Resident Commissioner, individually, in their representative capacity only.''

An important clarification of this rule is set forth in section 702 of the House Rules and Manual. That section states that, under applicable House precedents, ''rule IX is concerned not with the privileges of the Congress, as a legislative branch, but only with the privileges of the House, as a House.''

Mr. Speaker, in this connection I think it is important to emphasize the gentleman's resolution relates to the termination of a treaty. As we all know, the Constitution gives the House of Representatives no role in the approval of treaties. Under article 2, section 2, clause 2 of the Constitution, the Senate alone has the prerogative to review treaties and approve their ratification by the President. Until the Senate grants its approval, a treaty may not be ratified and enter into force.

In the case of the antiballistic missile, or ABM, treaty, which is the subject of this resolution, the Senate approved ratification of the treaty on August 3, 1972, and President Nixon ratified it 2 months later. Once this happened, the ABM treaty became the supreme law of the land pursuant to article 6, clause 2 of the Constitution. All of this happened without any involvement by the House of Representatives, which is as it should be under the Constitution. In addition, the treaty itself under article 15 states that ''each party shall, in exercising its national sovereignty, have the right to withdraw from this treaty.''

The sponsor of this resolution argues that even though the House of Representatives had no role in bringing the ABM treaty into force, we somehow have an indispensable constitutional role in deciding whether to approve the termination of the treaty. I could understand someone in the Senate making such an argument about the prerogative of the Senate in such matters, but I am mystified how anyone could read such a prerogative into the Constitution for the House of Representatives.

More to the point, the Supreme Court has told us that not even the Senate has such a prerogative. In 1979 in the case of Goldwater v. Carter, the Supreme Court rejected a claim by former Senator Goldwater that President Carter had acted unconstitutionally by abrogating our mutual defense pact with Taiwan without first obtaining the Senate's permission to do so. I happen to share some of Senator Goldwater's reservations about President Carter's action with regard to our commitments to Taiwan. But disagreeing with the substance of the action is very different from claiming that the action itself was unconstitutional. That is in effect what the Supreme Court told Senator Goldwater when it threw his case out of court.

I would urge the sponsor of this resolution to take that lesson to heart. He certainly has the right to disagree with President Bush's decision, and I would welcome a debate on any properly framed legislation he might want to offer addressing that decision, or questions of missile defense more generally. But it ill serves this institution, to say nothing of the Constitution, to accuse the President of violating the Constitution when Supreme Court precedent and 215 years of practice make clear that the President was fully within his rights to act as he did.

Out of respect for this institution and our Constitution, I would urge the gentleman to withdraw his resolution. Failing that, I would urge the Chair to rule the resolution out of order, and I would urge my colleagues to sustain that ruling if appealed.

The SPEAKER pro tempore. Does the gentleman from Ohio wish to be heard?

Mr. KUCINICH. Mr. Speaker, I wish to be heard on the point of order.

The SPEAKER pro tempore. The gentleman is recognized.

Mr. KUCINICH. Mr. Speaker, I would like to begin by thanking my good friend from Illinois and letting him know that this is not about the ABM treaty. This is really about the role that this institution has in a democracy. Mr. Speaker, almost 226 years ago, the Founders of this great Nation cast off the yoke of imperialism and declared their independence from the tyranny of King George III. Soon after, these United States weaved from the sturdy threads of justice and democracy a Constitution to serve as the ultimate guardian of rule by the people and for the people. Over two centuries later, these documents still comprise the fabric of our Republic.

Unfortunately, Mr. Speaker, this fabric is today being steadily frayed by an executive that does not respect the constitutionally protected role of this Congress in the governance of our Nation. The President insists that he has the unilateral authority to terminate treaties; but article 1, section 1 of our Constitution clearly states, quote, ''all legislative powers shall be vested in a Congress of the United States which shall consist of a Senate and a House of Representatives.''

The Constitution empowers Congress to establish laws and charges the President with carrying out these laws. Nowhere in this Constitution does it give the President the authority to repeal laws. Only Congress has the authority to undo its legislative work. Yet this is exactly what the President has done, unilaterally repeal a law, the ABM treaty, that was constitutionally enacted by joint action of the legislature and executive, Senate ratification and Presidential signature.

The Constitution sets up the legislature and the executive as coequal and separate branches of government. Allowing the President to execute only those laws he agrees with obliterates our carefully constructed system of checks and balances. If the President acts both as the maker and the executor of laws, why have a Congress at all? Such action was so offensive to liberty that Thomas Jefferson cited it in the Declaration as a grievance warranting disaffiliation with Britain. Thomas Jefferson chafed at the actions of King George and others, quote, ''suspending our legislatures and declaring themselves vested with power to legislate for us in all cases whatsoever.''

Mr. Speaker, your decision today to grant privilege to this motion should take into consideration the grave challenge to the Constitution the President has made in his unilateral withdrawal from a treaty; but your decision, Mr. Speaker, will and must turn on House precedent. My motion to raise a question as to the privileges of this House under rule IX falls under section 702 of the rule and, Mr. Speaker, section 702 of this rule, which I have highlighted here in green in the Jefferson manual, and I would ask my colleagues to look at this because these are the rules that we play by. Section 702 of this rule states, ''The constitutional prerogatives of the House also include its function with respect to treaties.'' I am going to read that again. The constitutional prerogatives of the House, of the House, also include its function with respect to treaties.

Hind's notations in this book contains 36 precedents. Thirty-five of them do not have any bearing on this issue today, but one of them does, Mr. Speaker, and I believe that one establishes the precedent for my motion today. I refer specifically to notation 1505. On March 2, 1835, the House agreed to the following resolution which read in part, ''Resolved, that in the opinion of this House, the treaty with France of the 4th of July, 1831, should be maintained.''

Why did the House pass a resolution stating that a treaty should be maintained? The treaty with France was done to settle claims by the U.S. against France for the confiscation of American vessels and cargo. At the time France confiscated American property, our two countries were hostile towards each other. The treaty of 1831, then, was an act of diplomacy intended to prevent the resumption of hostilities through the diplomatic resolution of claims. President Andrew Jackson was unhappy with French compliance with the treaty, which in his opinion was too slow. President Jackson, according to ''A Diplomatic History of the American People'' by Thomas Bailey, was thoroughly aroused. ''The French,'' he was reported to have shouted, ''won't pay unless they're made to.'' He declared that Congress should authorize the Federal Government to seize French property.

According to another source, ''A Diplomatic History of the United States'' by Samuel Flagg Bemis, ''Further negotiation,'' Jackson declared, ''was out of the question.'' In other words, Mr. Speaker, President Jackson wanted to withdraw from the treaty with France. The House, wanting to support the President, gave the President the authority to make contingent preparations to meet any emergency growing out of relations with France. But, and this is a critical point, Mr. Speaker, the House did not authorize the President to withdraw from the treaty. Rather, the House asserted the opposite, that the treaty should be maintained. Congress insisted that the President not rule out of question further negotiation with France as his rhetoric and actions suggested he wanted to.

□ 1045

Instead, Congress in effect told him he had to continue negotiating with France.

Now, I ask my colleagues today, who here has the courage, like our vaunted predecessors in this hallowed body, to assert Congressional prerogative? Who here will challenge a power grab by the chief executive?

The world's geopolitical trash bin is already littered with treaties and agreements unilaterally discarded by the United States under this administration. Congressional requests for testimony and information are routinely ignored. Our insistence on our oversight role is scoffed at. We must assert our role in this treaty withdrawal in order to prevent further erosion of constitutional authority.

Mr. Speaker, in 1835 the House of Representatives asserted its prerogative with respect to treaties, and that law is why this reference is in this manual. It did not permit the President to unilaterally withdraw from the treaty with France as he clearly intended to do and as he stated his intention to do so. Instead, through action in this House, Congress affirmed that the treaty with France be maintained. This episode, Mr. Speaker, set a precedent for this House that bears directly on this resolution today.

My resolution states, ''Resolved, that the President should respect the constitutional role of Congress and seek the approval of Congress for the withdrawal of the United States of America from the Antiballistic Missile Treaty.'' In other words, before the President

unilaterally withdraws the United States from a treaty, he should seek approval of the Congress, as the Congress of 1835 asserted.

Mr. Speaker, it is my belief that the privileges of this House as set forth by a precedent in 1835 have been violated by the President. My motion claims that a privilege of this House has been violated, and it is a privilege that sits on 167 years of precedent.

Mr. Speaker, indeed, in more than two centuries, only a handful of treaties have been unilaterally terminated by the President. In the vast majority of those cases, one or both of the Houses of Congress consented.

My motion, Mr. Speaker, deserves to be heard today. Supreme Court Justice Frankfurter ruled 50 years ago, ''The accretion of dangerous power does not come in a day. It does come, however, from the generative force of unchecked disregard of the restrictions that fence in even the most disinterested assertion of authority.''

Mr. Speaker, at issue today are not the specifics of the ABM treaty, the merits of missile defense or any other policy considerations. At issue is whether this House of Representatives, this Congress, will stand up to an imperial President.

''The history of the present king of Great Britain,'' wrote Thomas Jefferson in this declaration, ''is a history of repeated injuries and usurpations.''

How many injuries and usurpations must this Congress endure before it fights back? How much longer will we allow this executive to trample on our Constitution? I urge the Speaker to allow this motion to be heard, and I urge my colleagues to defend this document, our Constitution of the United States, which establishes the centrality of the role of this Congress.

The SPEAKER pro tempore (Mr. LAHOOD). Does the gentleman from Illinois (Mr. HYDE) wish to be heard further on the point of order?

Mr. HYDE. I would like to be heard further on my point of order.

Mr. Speaker, if the gentleman from Ohio, who is my good friend and someone for whom I have the utmost respect, but if his theory has any substance, then the Mutual Defense Treaty with Taiwan which President Carter abrogated unilaterally must have undergone resurrection. It was improperly terminated then, and how many treaties over the years have been terminated without the involvement of the House that have now experienced Easter?

Now, it is a matter of fact that the treaty itself provided a means for revocation and the Senate ratified the treaty in all of its verbiage in all the four corners of the document, and article 15, section 2, as ratified by the United States Senate pursuant to the Constitution, says, ''Each party shall in exercising its national sovereignty have the right to withdraw from this treaty,'' et cetera, et cetera.

The President was required to give 6 months notice, he did give 6 months notice, and June 13 of this year equals the 6-month period where the revocation becomes final.

So the Congress was involved in the treaty ratification pursuant to the Constitution, which gives the House no role in ratifying treaties. The rule the gentleman referred to talks about the House's role in implementing treaties through legislation. Yes, we have that role, we always have. But that is a far cry from saying we must approve a termination of a treaty which, by its terms, provided a process for revocation by the President.

Mr. KUCINICH. Mr. Speaker, may I respond.

The SPEAKER pro tempore. The gentleman is recognized.

Mr. KUCINICH. Mr. Speaker, my good friend from Illinois would be interested to hear the words of a constitutional law scholar who wrote in the New York Times on August 29, 2001, and this is from Professor Bruce Ackerman, he said, ''Presidents can't terminate statutes they don't like. They must persuade both houses of Congress to join in a repeal. Should the termination of treaties operate any differently? The question first came up in 1798. As war intensified in Europe, America found itself in an entangling alliance with the French under treaties made during our own revolution. But President John Adams did not terminate these treaties unilaterally. He signed an act of Congress to declare the treaties heretofore concluded with France no longer obligatory on the United States. The next case was in 1846. As the country struggled to define its northern boundary with Canada, President James Polk specifically asked Congress for authority to withdraw from the Oregon Territory Treaty with Great Britain and Congress obliged with a joint resolution. Cooperation of the legislative and executive branches remained the norm, despite some exceptions, during the next 125 years.''

That is from constitutional scholar Bruce Ackerman.

Furthermore, citing my good friend from Illinois who spoke of Goldwater versus Carter, another constitutional scholar, Peter Weiss, said in a work called The President, the Constitution and the ABM Treaty, ''It is generally believed that Congress lost this case, Goldwater versus Carter, precluding further challenges to unilateral presidential termination. But as a vast number of commentators have pointed out and as the following analysis will show, this is a vast oversimplification of the extraordinary complex set of judicial rulings. In fact, Congress' role in treaty termination is very much alive. As Chief Judge Wright of the D.C. Circuit, quoted with approval by Justice Rehnquist of the Supreme Court, said in the Goldwater case, Congress has a variety of powerful tools for influencing foreign policy decisions that bear on treaty matters. In the first stage of the constitutional debate between 24 members of Congress and President Carter, Judge Oliver Gasch of the District Court of the District of Columbia District found that the plaintiffs had standing to invoke the aid of his court and their suit was not barred by the political question doctrine. In approaching the substantive question of treaty termination authority, on which the Constitution is silent, Judge Gasch first reviewed the history of two centuries of treaty termination. He found that, while there have been some apparently unchallenged instances of unilateral termination by the President, most of these involved 'commercial situations where the need for the treaty or the efficacy of it was no longer apparent.' ''

More significantly, Mr. Speaker, he found out that ''The great majority of the historical precedents involved some form of mutual action whereby the President's notice of termination received the affirmative approval of the Senate or of the entire Congress.''

I want to conclude by stating this. He says, ''The President invoked his foreign affairs power in support of his position,'' citing the famous, or infamous, depending on one's views, dictum in Curtiss-Wright, that he is ''the sole organ of the Federal Government in the field of international relations.''

But that case involved an executive agreement, not a treaty, and Judge Gasch dismissed the argument in the following terms: ''While the President may be the sole organ of communication with foreign government, he is clearly not the sole maker of foreign policy. In short, the conduct of foreign relations is not a plenary executive power.''

Mr. HYDE. Mr. Speaker, may I be heard further?

The SPEAKER pro tempore. The gentleman is recognized.

Mr. HYDE. Mr. Speaker, the Constitution, section 2, says he shall have the power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur.

I have looked through this document. It does not say a single blessed thing about revocation or termination of treaties. It talks about the making of them, and it is the Senate who advises and consents, with two-thirds in support.

Now, I would like to ask my dear friend if there is any merit or substance to his position, how many votes of the House will it take to ratify a termination and where do you find that?

The SPEAKER pro tempore. The Chair will hear the gentleman from Illinois, but Members should not be yielding back and forth.

Do any other Members wish to be heard?

Mr. KUCINICH. Mr. Speaker, I would like to answer the gentleman from Illinois.

The SPEAKER pro tempore. The gentleman is recognized.

Mr. KUCINICH. Mr. Speaker, the gentleman from Illinois speaks to the Senate's ability to make treaties.

Mr. HYDE. Ratify.

Mr. KUCINICH. Ratify treaties. But it does not speak to the President's authority to break treaties which he has no authority to do, as the treaty is a law.

Mr. HYDE. Mr. Speaker, if I may be heard further, but the treaty itself, Mr. Speaker, provides a mechanism for terminating the treaty, and that treaty was ratified by a two-thirds vote of the Senate, which involved the House constitutionally. So, I just do not see what the gentleman's complaint is.

The SPEAKER pro tempore. The Chair would remind Members that they are to make their points to the Chair.

Mr. KUCINICH. Mr. Speaker, my good friend, the gentleman from Michigan (Mr. KILDEE), points out that in article VI it says, ''This Constitution and the laws of the United States which shall be made in pursuance thereof, and all treaties made,'' and all treaties made, ''or which shall be made under the authority of the United States, shall be the supreme law of the land.''

It is a law and the President cannot unilaterally break a law. It is not his right under the Constitution.

The SPEAKER pro tempore. Does the gentleman from Illinois wish to be recognized?

Mr. KIRK. Mr. Speaker, I seek to be recognized on the point of order.

The SPEAKER pro tempore. The gentleman is recognized.

Mr. KIRK. Mr. Speaker, I rise to support the gentleman from Illinois (Chairman HYDE) in his objection on this motion.

The gentleman from Ohio refers to House rule 9 preserving the integrity of the House, but he does not refer to article II of the Constitution, which clearly places the power to ratify treaties not in this body, but in the Senate.

□ 1100

He does not refer to the text of the ABM treaty, which reads as follows, in article 15, part 1: ''Each party shall, exercising its national sovereignty, have the right to withdraw from this treaty if it decides that extraordinary events related to the subject matter of the treaty have jeopardized its supreme interest. It shall give notice of its decision to the other party 6 months prior to the withdrawal from the treaty,'' which the President has done.

This power is given directly to the President to respond to increased threats from missiles by withdrawing from the outdated 1970s document.

This motion by the gentleman from Ohio (Mr. KUCINICH) ignores settled Supreme Court decisions regarding the abrogation of the treaty with Taiwan. This motion does not refer to the SHAHAB III Iranian missile program, the Iraqi Scud program, the North Korea No Dong missile program, all pointed at the U.S. Armed Forces. It makes no reference to the 39 Scud missiles that fell on Israel and the growing missile threat to our Israeli allies.

Under the terms of the Constitution, giving this power to the Senate, not to the House, in a treaty which specifically allows the President to withdraw from it, and relevant Supreme Court decisions regarding the abrogation of the treaty, and in light of the growing missile threat from rogue nations to the United States and our allies, the President has duly executed this authority and the House has no role.

In sum, Mr. Speaker, this is a treaty, not a law. A treaty should be regarded as a statute, especially with regard to implementing legislation requiring House action. That is not present here, and the motion should be ruled out of order.

The SPEAKER pro tempore (Mr. LAHOOD). Does any other Member wish to be heard?

Mr. NADLER. I do, Mr. Speaker.

The SPEAKER pro tempore. The Chair recognizes the gentleman from New York (Mr. NADLER).

Mr. NADLER. Mr. Speaker, this is a very, very important debate. I want to commend the gentleman from Ohio (Mr. KUCINICH) for bringing this resolution before the House.

I would direct my remarks particularly to my friend, the gentleman from Illinois (Mr. HYDE), the distinguished chairman of the Committee on International Relations.

There are two texts that are key here. One is the provision in article 6 of the Constitution that the gentleman from Ohio read a few minutes ago: ''The Constitution and the laws of the United States, which should be made in pursuance thereof, and all treaties made or which shall be made under the authority of the United States shall be the supreme law of the land.''

A treaty is a law, in exactly the same sense as any other law made pursuant to the Constitution of the United States. It is treated exactly the same. That is the first point.

The gentleman from Illinois read from the ABM treaty, and he read a sentence that says, and I do not have the exact words, and the gentleman from Illinois may wish to give me the exact words, but the parties shall have the authority to withdraw from the treaty. I think that is what the gentleman read, that the ''parties'' shall have the authority to withdraw from the treaty.

But who are the parties? The party is the United States, not the President. Indeed, the President, who signed it, Richard Nixon, I think, would we say that only Richard Nixon has the authority to withdraw from the treaty, or Richard Nixon's successors? No, the parties to the treaty are a country. The United States signs the treaty. Someone may sign on behalf of the United States, but the United States is the party to a treaty; so the United States may, according to its constitutional processes, whatever they may be, and that is what we are discussing here, withdraw from a treaty.

So that language in the treaty is not particularized to the President. The question is: How does the United States withdraw from a treaty? I submit this is a very important debate and should not be ruled out of order. It may be the resolution, it may be that we need further study of this.

Maybe one could make a case, I do not think so, but maybe one could make a case that rather than a vote of both Houses to withdraw from the treaty, we should need a two-thirds vote of the Senate, because that is how we got into it. I would not think so, but it may be.

But the fact is, it is the law. The Constitution in article 6 says that the treaty which shall be made under the authority of the United States shall be the supreme law of the land. We cannot permit, in a democratic society, the President by himself or any other person by himself to repeal a law. That is not our system.

It is, frankly, puzzling to me, it has been puzzling for a long time, and I think this opens a number of questions, that we have various trade treaties which do not get two-thirds votes in the Senate and require votes in the House and Senate. I do not understand why they are not treaties. There are provisions in the Constitution that we seem to have conveniently forgotten about.

I think that this provision is very clear: a treaty is a law, exactly the same as any other law. It can be repealed in the same way, and the language of the gentleman from Illinois, that the distinguished chairman cited in the treaty itself, simply says the parties may withdraw from the treaty; but the party in this case is the United States.

The parties it refers to are the United States and Russia and China; China did not sign it, but France, and whoever else signed the treaty. A party to a treaty has always been held in law to be the country, not the individual who signed on behalf of the country.

The SPEAKER pro tempore. The gentleman recognizes the gentleman from Illinois (Mr. HYDE).

Mr. HYDE. Mr. Speaker, the gentleman reminds us that a treaty is the supreme law of the land, and then says that the President cannot abrogate the law unilaterally without some legislative action.

I suggest that the President has followed the law to the letter. The law is in the treaty. The treaty itself provides a mechanism for withdrawing from the treaty: ''Each party shall, in exercising its national sovereignty. . . . '' How do we exercise our national sovereignty? The gentleman would suggest a plebiscite throughout the country.

The very words of the treaty, which are the supreme law of the land, have been observed by the President. So that argument is a nullity.

Secondly, do all Members, and I am asking this rhetorically, do all Members concede the Taiwan defense treaty as still valid and that President Carter's termination of it was illegal, and of no force and effect? They have

to hold that position if they hold the position they are arguing today.

I submit this is not a privilege of the House.

The SPEAKER pro tempore. The Chair recognizes the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Speaker, let me acknowledge the distinguished gentleman from Illinois (Mr. HYDE) for his recounting of the past history with the Taiwan agreement. I might not be quoting specifically from the Constitution, but past errors do not suffice for allowing us to continue in that path.

What we have not done, Mr. Speaker, is to focus on the language that the distinguished gentleman from Ohio (Mr. KUCINICH) has offered. The language specifically said: ''Resolved, that the President should respect the constitutional role of Congress and seek the approval of Congress for the withdrawal of the United States of America from the antiballistic missile treaty.'' Nowhere does it distinguish between House and Senate. The gentleman is only asking that the President not unilaterally withdraw from the ABM treaty.

If we look to the Constitution, we will find that there are three articles that begin our Constitution: article I, the legislative branch; article II, the executive branch; and article 3, the judicial branch. None of those branches are elevated higher than the next branch. These are three equal branches of government.

What we argue today is section 9 does allow a privileged resolution, if I might use the quote from rule IX of the privileged motion, ''. . . must deal with the rights of the House and the dignity of the House.''

The House is a reflection of the American people. The right of the House is to be part of a Congress that, in joint collaboration with the executive, then makes a determination as to whether the people of the United States withdraw from the ABM treaty.

The resolution does not ask for the House to act. It simply says it seeks the approval of Congress. We are asking that the President seek the approval of Congress; that before he moves forward with the final decision on the ABM treaty, he does not make a unilateral decision.

I believe, Mr. Speaker, this comes within the privileged motion. It comes within the rights of the House, the House being a reflection of the American people. I believe that it is clear that between the three branches of government, there is no superior branch.

As we know, those who escaped persecution and came to found the 13 Colonies in the United States of America decided to try to escape despotism and the oppression of a single ruler. Specifically, the Founding Fathers established three equal branches of government.

I believe we are abdicating our responsibilities as a House of Representatives, and therefore, the Congress of the United States, by suggesting that a President can unilaterally withdraw from a treaty as important as the Antiballistic Missile Treaty.

I would argue that rule IX does stand and does comply, or at least the motion of the gentleman from Ohio (Mr. KUCINICH) does comply with rule IX. It is a privileged motion. It protects the rights of the House. It should be adhered to, and we should be allowed to debate this very important statement and resolution on behalf of the dignity of the House, on behalf of the rights of the House, on behalf of the rights of the people of the United States of America and in reflection of the Constitution of the United States that indicates article 1, 2, and 3 are equal; and that, if by some error, we allow an erroneous action to take place under President Carter, that we should not continue such and we should begin to turn the tide by suggesting that the Congress has a viable role in ensuring that a unilateral decision as important as the ABM treaty should not be made by a single branch of the government, and that is the executive.

The SPEAKER pro tempore. Are there other Members who wish to be heard?

The Chair intends to recognize the gentleman from Pennsylvania (Mr. WELDON), the gentlewoman from California (Ms. LEE), and the gentleman from Ohio (Mr. KUCINICH), and the gentleman from Illinois (Mr. HYDE). That should conclude debate on the point of order and the Chair will be prepared to rule.

The Chair recognizes the gentleman from Pennsylvania (Mr. WELDON).

Mr. WELDON of Pennsylvania. Mr. Speaker, I support the position of the distinguished chairman. He is absolutely correct.

I would be happy to debate the merits of the President's decision in this body any day under an open process. But the gentlewoman from Texas just said that this House has the prerogative and that no one of our three branches is, in fact, greater than the other. I agree with her.

In fact, let us look at our constitutional history. When a Senator, a Member of the other body, challenged the actions of President Carter in his abrogation of the treaty with Taiwan, a Senator, who was part of the ratification of that treaty, went to the Supreme Court.

Now, the Supreme Court is the third branch of our government. As the gentlewoman said, none of the three branches are above the other. The Supreme Court would not even hear the case. The Supreme Court said that there is no standing of the Senator.

The Supreme Court is that third branch of our government that interprets the Constitution, not some scholar from Harvard, not some independence analyst. The Supreme Court issued an order saying to a Member of the other body: You have no standing. You have no standing to bring an action against the President, even though he in fact abrogated a treaty, which was allowed within the terms of the treaty.

So this debate has no basis. It has no substance. In fact, my colleagues on the other side have not even answered the question if they would in fact agree with what the gentleman from Illinois (Mr. HYDE) said, that, therefore, the treaty of Taiwan is still in place, because this issue is about the substance of the ABM treaty.

Let us have that debate. The gentleman can offer a bill, and we will debate it on the floor of the House as a sense of the Congress. But there is no standing, as determined by the Supreme Court.

Mr. Speaker, I include for the RECORD this brief one-paragraph statement by the Supreme Court in their opinion that the Senator had no standing in objecting to what President Carter did.

The SPEAKER pro tempore. Members may insert materials in the RECORD following disposition of the point of order.

The SPEAKER pro tempore. The gentlewoman from California (Ms. LEE) is recognized briefly.

Ms. LEE. Mr. Speaker, I want to commend the gentleman from Ohio for this very important debate with regard to our constitutional duties and our responsibilities.

Of course, I rise in support of the question of the privileged resolution, for this resolution. The rules actually state that a motion may be considered as a privilege when the integrity of the House is in question, so this integrity, I believe, is at stake when the President seeks to unilaterally revoke the laws of this Nation by single-handedly withdrawing from the ABM treaty.

The Constitution, and we have heard the debate this morning, it does not give the President the authority to repeal laws. That is a congressional function.

Article 1, section 1 of the Constitution says: ''All legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and a House of Representatives.'' Foreign policy is not the exclusive domain of the executive. Congress has the right and the duty to fulfill its share of the balance of powers. That is what this is about.

I strongly support this privileged resolution to uphold the ABM treaty to protect American citizens and to uphold congressional authority. This is central to our democracy. The privileges of the House also reinforce these principles. Rule IX states that the constitutional prerogatives of the House also include its function with respect to treaties.

The treaty with France of July 4, 1835, and the House resolution stating that the treaty should be maintained is also precedent for today's motion. So we must stand up for these rights and

for the public interest. That is what this debate is about.

The SPEAKER pro tempore. The gentleman from Ohio (Mr. KUCINICH) is recognized briefly.

Mr. KUCINICH. Mr. Speaker, I want to thank the Speaker for his indulgence in this extremely important debate.

If my colleagues' arguments are correct, then the House of Representatives in 1835 acted unconstitutionally when it passed the resolution stating that the Treaty of France ''should be maintained.'' But, Mr. Speaker, in fact, no court has ever found that, in 167 years, that the House acted unconstitutionally in 1835. It is, therefore, not for opponents to say that the House has no role in treaty termination today.

My motion is therefore both constitutional, Mr. Speaker, and within the rules of the House. A party to a treaty is the country, not a specific President. In a democracy, a President is not sovereign. In America, the people are sovereign.

The SPEAKER pro tempore. The Chair is prepared to rule on whether the resolution offered by the gentleman from Ohio (Mr. KUCINICH) presents a question of the privileges of the House under rule IX.

The resolution offered by the gentleman from Ohio asserts a congressional prerogative over withdrawal from treaties by the United States and resolves that the President should not withdraw from a certain treaty absent the approval of the Congress.

The gentleman from Ohio argues that the Constitution has delegated to the Congress specific responsibility with regard to treaties. As argued by the gentleman from Illinois (Mr. HYDE) and as stated in section 702 of the House Rules and Manual, however, rule IX does not support a resolution as a question of privilege when the constitutional prerogatives of the Congress, as a legislative branch, are involved. Rather, it is properly involved only with regard to the privileges of the House, as a House.

□ 1115

The Chair was presented with an analogous situation on May 6, 1921. On that occasion, Speaker Gillett held that a resolution presenting a legislative proposition as a question of constitutional privilege under the 14th Amendment did not qualify as a question of the privileges of the House.

Speaker Gillett's rationale bears repeating: ''The whole question of a constitutional privilege being superior to the rules of the House is a subject which the Chair has for many years considered and thought unreasonable. It seems to the Chair that where the Constitution orders the House to do a thing, the Constitution still gives the House the right to make its own rules and do it at such time and in such manner as it may choose. And it is a strained construction, it seems to the Chair, to say that because the Constitution gives a mandate that a thing shall be done, it therefore follows that any Member can insist that it shall be brought up at some particular time and in the particular way which he chooses.''

Before Speaker Gillett's ruling in 1921, Speaker Reed in 1898 had also ruled that the ordinary rights and functions of the House under the Constitution are exercised in accordance with the rules, without precedence as matters of privilege.

The Chair has evaluated similar resolutions in more recent years and determined in each case that a question of privilege was not presented. On February 7, 1995, a resolution invoking several Constitutionally-derived Congressional powers and prerogatives and resolving that an investigation be undertaken into Presidential actions allegedly infringing on such powers was offered as a question of privilege. In ruling that the resolution did not present a question of privilege, Speaker Gingrich stated: ''Although the resolution may address the aspect of the legislative power under the Constitution, it does not involve a constitutional privilege of the House. Were the Chair to rule otherwise, then any alleged infringement by the executive branch, even, for example, through the regulatory process, on a legislative power conferred on Congress by the Constitution would give rise to a question of the privileges of the House.''

On November 4, 1999, the Chair again ruled that a resolution alleging a certain imbalance in trade, invoking the Constitutionally-derived Congressional power to regulate interstate and foreign commerce, and resolving that the President act to alleviate the imbalance did not present a question of the privileges of the House.

Thus the Chair will continue today to adhere to the same principles enunciated by Speaker Gillett. The Chair holds that an assertion that the Constitution has reserved for Congress certain power with respect to treaties does not render a measure purporting to address the executive branch's exercise of such power a question of the privileges of the House.

The gentleman from Ohio (Mr. KUCINICH) has cited page 400 of the House Rules and Manual in support of his argument that resolutions invoking constitutional prerogatives with respect to treaties involve questions of the privileges of the House. The citations listed on page 400 of the Manual are from the second volume of Hind's Precedents at sections 1502 through 1537. The Chair would note that these examples, including section 1505, are merely instances where the House voted on or debated its proper or desired role in certain matters arising under the Constitution with respect to treaties. They are not occasions where resolutions on such topics were presented as questions of privilege. In particular, the example recorded in section 1505 involved a joint resolution reported by the Committee on Foreign Affairs and not considered as privileged on the floor.

The Chair would also note that the relief sought in the resolution offered by the gentleman from Ohio (Mr. KUCINICH) is in the nature of a desired policy objective. It does not seek to vindicate ''the rights of the House collectively, its safety, dignity, or the integrity of the proceedings.''

Accordingly, the Chair rules that the resolution offered by the gentleman from Ohio (Mr. KUCINICH) does not constitute a question of privileges of the House under rule IX, and may not be considered at this time.

Mr. KUCINICH. Mr. Speaker, I respectfully appeal the ruling of the Chair.

The SPEAKER pro tempore (Mr. LAHOOD). The question is: Shall the decision of the Chair stand as the judgment of the House?

MOTION TO TABLE OFFERED BY MR. HYDE

Mr. HYDE. Mr. Speaker, I move to lay the appeal on the table.

The SPEAKER pro tempore. The question is on the motion to table offered by the gentleman from Illinois (Mr. HYDE).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. KUCINICH. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 254, noes 169, not voting 11, as follows:

[Roll No. 214]

AYES—254

Aderholt	Costello	Granger
Akin	Cox	Graves
Armey	Cramer	Green (WI)
Bachus	Crane	Grucci
Baird	Crenshaw	Gutknecht
Baker	Cubin	Hall (TX)
Ballenger	Culberson	Hansen
Barr	Cunningham	Hart
Bartlett	Davis (FL)	Hastings (WA)
Barton	Davis, Jo Ann	Hayes
Bass	Davis, Tom	Hayworth
Bereuter	Deal	Hefley
Berman	DeLay	Herger
Biggert	DeMint	Hilleary
Bilirakis	Diaz-Balart	Hobson
Bishop	Doolittle	Hoekstra
Blumenauer	Dreier	Holden
Blunt	Duncan	Horn
Boehlert	Dunn	Hostettler
Boehner	Edwards	Hulshof
Bonilla	Ehlers	Hunter
Bono	Ehrlich	Hyde
Boozman	Emerson	Isakson
Brady (TX)	English	Issa
Brown (SC)	Everett	Istook
Bryant	Ferguson	Jenkins
Burr	Flake	John
Burton	Fletcher	Johnson (CT)
Buyer	Foley	Johnson (IL)
Callahan	Forbes	Johnson, Sam
Calvert	Fossella	Jones (NC)
Camp	Frank	Kanjorski
Cannon	Frelinghuysen	Keller
Cantor	Gallegly	Kelly
Capito	Ganske	Kennedy (MN)
Capuano	Gekas	Kerns
Carson (OK)	Gibbons	King (NY)
Castle	Gillmor	Kirk
Chabot	Gilman	Knollenberg
Chambliss	Goode	Kolbe
Coble	Goodlatte	LaHood
Collins	Goss	Latham
Cooksey	Graham	LaTourette

Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (KY)
Lucas (OK)
Manzullo
Matheson
McCarthy (NY)
McCrery
McHugh
McInnis
McIntyre
McKeon
Meehan
Menendez
Mica
Miller, Dan
Miller, Gary
Miller, Jeff
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Obey
Ortiz
Osborne
Ose
Otter
Oxley
Paul
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Regula
Rehberg
Reyes
Reynolds
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Sandlin
Saxton
Schaffer
Schiff
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Snyder
Souder
Spratt
Stearns
Stenholm
Stump
Sullivan
Sununu
Sweeney
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Turner
Upton
Vitter
Walden
Walsh
Wamp
Watkins (OK)
Watt (NC)
Watts (OK)
Weiner
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOES—169

Abercrombie
Ackerman
Allen
Andrews
Baca
Baldacci
Baldwin
Barcia
Barrett
Becerra
Bentsen
Berkley
Berry
Blagojevich
Bonior
Borski
Boswell
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Cardin
Carson (IN)
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Coyne
Crowley
Cummings
Davis (CA)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Dooley
Doyle
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frost
Gephardt
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Harman
Hastings (FL)
Hill
Hilliard
Hinchey
Hinojosa
Hoeffel
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson, E. B.
Jones (OH)
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
LaFalce
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lipinski
Lofgren
Lowey
Luther
Lynch
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matsui
McCarthy (MO)
McCollum
McDermott
McGovern
McKinney
McNulty
Meek (FL)
Meeks (NY)
Millender-McDonald
Miller, George
Mink
Nadler
Napolitano
Neal
Oberstar
Olver
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Phelps
Pomeroy
Price (NC)
Rangel
Rivers
Rodriguez
Ross
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sawyer
Schakowsky
Scott
Sherman
Shows
Skelton
Slaughter
Solis
Stark
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Waters
Watson (CA)
Waxman
Wexler
Woolsey
Wu
Wynn

NOT VOTING—11

Boucher
Combest
Gilchrest
Greenwood
Houghton
Kingston
Lewis (GA)
Riley
Serrano
Smith (WA)
Traficant

□ 1143

Mr. WYNN and Ms. SCHAKOWSKY changed their vote from ''aye'' to ''no.''

Messrs. SANDLIN, COSTELLO, OTTER, BLUMENAUER, BAIRD and MOORE changed their vote from ''no'' to ''aye.''

So the motion to table was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. WELDON of Pennsylvania. Mr. Speaker, I include for the RECORD this brief one-paragraph statement by the Supreme Court in their opinion that the Senator had no standing in objecting to what President Carter did.

[GOLDWATER ET AL. v. CARTER, PRESIDENT OF THE UNITED STATES, ET AL.]

[444 U.S. 996; 100 S. Ct. 533; 62 L. Ed. 2d 428; 1979 U.S. Lexis 4144]

[**533] Certiorari granted, judgment vacated, and case remanded with directions to dismiss the complaint. Mr. Justice Marshall concurs in the result. Mr. Justice Powell concurs in the judgment [*997] and filed a statement. Mr. Justice Rehnquist concurs in the judgment and filed a statement in which The Chief Justice, Mr. Justice Stewart, and Mr. Justice Stevens join. Mr. Justice White and Mr. Justice Blackmun join in the grant of the petition for writ of certiorari but would set the case for argument and give it plenary consideration. Mr. Justice Blackmun filed a statement in which Mr. Justice White joins. Mr. Justice Brennan would grant the petition for writ of certiorari and affirm the judgment of the Court of Appeals and filed a statement. Reported below.—U.S. App. D.C. , F.2d .

□ 1145

GENERAL LEAVE

Mr. KUCINICH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks with respect to the debate on the point of order just concluded.

The SPEAKER pro tempore (Mr. LAHOOD). Without objection, those remarks will appear after the proceedings in the RECORD.

There was no objection.

PERMANENT DEATH TAX REPEAL ACT OF 2002

Mr. HASTINGS of Washington. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 435 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 435

Resolved, That upon the adoption of this resolution it shall be in order to consider in the House the bill (H.R. 2143) to make the repeal of the estate tax permanent. The bill shall be considered as read for amendment. The previous question shall be considered as ordered on the bill and on any amendment thereto to final passage without intervening motion except: (1) one hour of debate on the bill equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means; (2) the amendment in the nature of a substitute printed in the report of the Committee on Rules accompanying this resolution, if offered by Representative Rangel of New York or his designee, which shall be in order without intervention of any point of order, shall be considered as read, and shall be separately debatable for one hour equally divided and controlled by the proponent and an opponent; and (3) one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from Washington (Mr. HASTINGS) is recognized for 1 hour.

Mr. HASTINGS of Washington. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Florida (Mr. HASTINGS); pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purposes of debate only.

(Mr. HASTINGS of Washington asked and was given permission to revise and extend his remarks.)

Mr. HASTINGS of Washington. Mr. Speaker, House Resolution 435 is a modified closed rule providing for the consideration of H.R. 2143, the Permanent Death Tax Repeal Act of 2001. The rule provides 1 hour of debate to be equally divided between the chairman and ranking minority member of the Committee on Ways and Means. The rule provides for consideration of the amendment in the nature of a substitute printed in the report of the Committee on Rules accompanying the resolution, if offered by the gentleman from New York (Mr. RANGEL) or his designee, which shall be considered as read and shall be debatable for 1 hour equally divided by a proponent and an opponent.

The rule waives all points of order against the substitute and provides for one motion to recommit with or without instructions.

Mr. Speaker, when Congress passed the Economic Growth and Tax Relief Reconciliation Act of 2001, providing for the phaseout and eventual repeal of Federal death taxes on American families, an arcane rule applicable only in the other body required that these long overdue reforms be abandoned after 10 years, in 2011.

The original version of the legislation, passed here in this Chamber, contained no such time limitation, and for good reason. That is because the ability of a family or business to plan for the future is seriously undermined whenever major uncertainty exists about the likely tax impact of important financial decisions. In truth, the net effect of the other body's decision to ''sunset '' the death tax repeal is to tell anyone planning to die 10 or more years from now that they might want to reconsider speeding things up. That

is not an attempt to be funny, Mr. Speaker, it is the cold hard truth.

The issue of death tax repeal has been debated in this Chamber for decades, and the arguments are well known. Last year, when justice was finally done for America's farmers, small businessmen, death tax supporters found a loophole giving them one last chance to prevent America's hard-working families from passing on to their children what they have built up during their lifetimes. Today, Mr. Speaker, thanks to the author of this legislation, the gentleman from Florida (Mr. WELDON), we have a chance to close that unfair loophole once and for all.

It will be said here today that we have no authority to bind future Congresses and, of course, that is correct. We do, however, have the authority and the responsibility to act on behalf of this Congress and the farmers, the families and the small business people we represent. We should do this, Mr. Speaker, loudly and clearly by adopting this rule and passing the underlying bill, H.R. 2143.

Mr. Speaker, I reserve the balance of my time.

Mr. HASTINGS of Florida. Mr. Speaker, I yield myself 5½ minutes, and I would first like to thank the gentleman from Washington, on the basis of age the junior Mr. HASTINGS, for yielding me the time.

Mr. Speaker, today, this body has the opportunity to send a message loud and clear to Republicans: Playing politics with Americans' lives is no longer an acceptable practice. When this body passed a $1.6 trillion tax cut that disproportionately benefitted the wealthiest of Americans, it laid the foundation for the deterioration of our strong economy which previously had been capable of coping with even the most dire of circumstances.

We were wrong when we passed the tax cut then, and we are wrong today in trying to make a huge portion of it permanent. This is fiscal mismanagement of the highest order and rank politics of the lowest kind. Go ahead and call me a modern day Robin Hood, looking out for all the human needs of all Americans, or just call me fiscally responsible; but repealing the sunset for the estate tax is the next phase in the majority's efforts to provide tax cuts to the wealthy at the expense of 99 percent of this country who will not benefit by this legislation.

Realize, Mr. Speaker, that less than one-half of 1 percent of all estates would be helped by a repeal of the estate tax. And even these estates would pay significantly less in taxes because of the lower rates and higher exemption that is already in place. Those who would benefit, and I impute no motive if this bill passes today, on present-day income, President Bush's family stands to gain $5 million, Vice President CHENEY's family stands to benefit anywhere from $9 to $40 million, the former Enron chairman Kenneth Lay's family stands to benefit $59 million, and the families of the entire Bush cabinet together stand to gain as much as $332 million.

According to the Wall Street Journal, not a paper that I frequently cite or that I am frequently cited in, the Republicans could make permanent any of the other tax cuts included in last year's tax bill and they would help more people and cost Social Security less than the total cost of repealing the estate tax.

Mr. Speaker, if our economy was growing like it was before last year's obese, obtuse, and downright obnoxious tax cut, I would be the first one to support cutting taxes. But our economy is not growing. In fact, it is hurting. So I ask this: How can we possibly continue to fund a war on terrorism that may never end, ensure the solvency of Social Security, keep our schools from crumbling, provide adequate care coverage for all children, and cut taxes at the same time?

The simple answer is that we cannot. It is just not fiscally possible. As a matter of fact, today President Bush will make an address to the Nation in which he will call for the establishment of the Homeland Office of Security as a Cabinet-level position. I advocated this in legislation as many as 8 months ago, but President Bush, in order to achieve this as I did when I advocated it, is going to require more resources.

8.1 million Americans are unemployed, and more than 116,000 people lose their jobs every month, 9,000 in the last 2 days. Equally, displaced workers, as a result of September 11, still have no health care coverage, and the unemployment insurance coverage that Congress extended last year is once again about to expire. How about helping the unemployed?

Other pressing needs? The uninsured. Currently 38.7 million-plus Americans, or more than 14 percent of all our total population, have zero access to health care. The majority of them are children and seniors, and more than two-thirds of them fall under the poverty line. How about helping the uninsured?

Want more? What about a prescription drug plan for seniors? Last year Congress authorized $300 million for such a plan. However, it never delivered. How about helping seniors?

Still not convinced? Do not even get me started on what we did not do for election reform.

Mr. Speaker, we have got serious problems in this country that demand serious solutions. Tax cuts to the rich never have been and never will be the solution to our problems.

Aiding the poor, the young, the elderly, the infirm should be the role and the responsibility of each political party. Rather, helping those who need help is a role of a responsible and decent government.

If this body fails to recognize this guiding principle, then we are failing those that we are here to serve.

Mr. Speaker, I reserve the balance of my time.

Mr. HASTINGS of Washington. Mr. Speaker, I am pleased to yield as much time as he may consume to the gentleman from California (Mr. DREIER), the chairman of the Committee on Rules.

(Mr. DREIER asked and was given permission to revise and extend his remarks.)

Mr. DREIER. Mr. Speaker, I rise in strong support of this rule and in strong support of this legislation. It is all about fairness. And I listened to my friend from Florida (Mr. HASTINGS) talk about the issue of job loss. Mr. Speaker, it is interesting to note that 70 percent of the family-owned businesses in this country don't make it to the second generation; 87 percent of the family-owned businesses do not make it to the third generation. And, Mr. Speaker, when you focus on the issue of job creation and economic growth, seeing small family-owned businesses fail in large part due to the very punitive death tax that exists in this country is one of the things that costs jobs. And as we talked about the very important need for a flow of revenues to deal with what the President will call for tonight, and that is the establishment of the Homeland Security position as a Cabinet-level post, we are going to need revenues for that, and that is why economic growth is so important.

Mr. Speaker, it was preposterous when we saw the plan put into place for the phaseout of the death tax over a 10-year period require at the end a reversion to what is current law. What will that mean? That will mean that anyone today, any member of this body today who votes against making permanent repeal of the death tax, will be voting in favor of one of the largest tax increases in the history of this country. Why? Simply because when this measure does in fact phase out in 2011, we revert, as I said, to current law. That is wrong. And what is it doing? It is jeopardizing the ability of the American people to plan, to make long-term plans. People have said, gosh, let us wait for 5 years and see what the budget situation will be like at that point.

Mr. Speaker, people engage in estate planning. People look towards the future. People plan for their children and their grandchildren, and that is why the idea of saying you have to live with this uncertainty over the next decade is a gross disservice to the American people who are out there working hard, trying to get this economy growing.

Mr. Speaker, I believe that it is very important for us to take this step. It is very important for us to allow those who are creating jobs and creating opportunity for Americans to have the chance to plan. So I urge a yes vote for this very fair rule which does in fact provide a substitute for the Democrats and a motion to recommitting so they will have two bites of the apple, and at the end of the day I am convinced that

we should defeat their measure that is a substitute and, of course, the previous question, and overwhelmingly pass this very important and very fair proposal.

□ 1200

Mr. HASTINGS of Florida. Mr. Speaker, I yield myself 10 seconds.

Mr. Speaker, I say to the gentleman from California (Mr. DREIER), the distinguished chairman of the Committee on Rules, that this measure affects less than one-half of 1 percent of all taxpayers.

Mr. HASTINGS of Washington. Mr. Speaker, I yield 30 seconds to the gentleman from California (Mr. DREIER) to respond.

Mr. DREIER. Mr. Speaker, when we talk about those who are directly impacted by repeal of the death tax, if we think about those men and women who are middle-income wage earners whose jobs are jeopardized because of a loss of estates because of that tax, they are the ones that are being hit most by this. And that is why to say that it is a very small portion is misleading.

Mr. HASTINGS of Florida. Mr. Speaker, I yield 4 minutes to the gentleman from North Dakota (Mr. POMEROY).

Mr. POMEROY. Mr. Speaker, I rise in opposition to the rule. The rule does allow our substitute, and I will speak about our substitute in a moment.

Unfortunately, the pay-for feature of our substitute placed into the bill to avoid loss of revenue to the general fund was struck on a point of germaneness. Our preference would have been to have a rule that made in order the pay-for and waived objection on germaneness rule. Plain speak, they could have allowed our pay-fors had they wanted to. Why did they not want the pay-fors?

The other side of the aisle did not want the pay-fors in this bill because they do not want this House to vote on disallowing U.S. corporations seeking tax shelters by relocating in the Bahamas or offshore in other tax havens across the world. The pay-for we sought would have disallowed those corporations moving offshore after September 11.

We think it is pretty disgusting at a time when the country was rallying together in the wake of the terrorist attack, there were some in corporate tax planning departments trying to revoke the citizenship status of their corporation and redomicile offshore for purposes of getting that tax status. That is the vote we wanted. That is why we will be having the vote on the previous question, what the vote on the previous question will represent. Should we allow corporations to flee our shores for purpose of attaining citizenship in tax havens? We think not. We think that was a good pay-for for this measure.

Let me talk about the substitute, and I commend the Committee on Rules for making the substitute in order. I would have preferred the pay-fors, and urge a vote against the rules because it did not allow the pay-fors. The substitute will allow an important discussion today. This is not about estate tax versus no estate tax. The issue before this body is reform of the estate tax now versus repeal next decade. Reform January 1, 2003, versus repeal in the year 2011, four Congresses from now.

The substitute will bring the estate tax exclusion to $6 million for a couple. That means $6 million or below, no estate tax. It takes care of the estate tax problem for 99.7 percent of the families in this country. What does the majority proposal do about this group? Nothing. In the year 2003 under their proposal, an estate over $2 million per couple, it will be taxed. For us, 2003, if an estate below $6 million, no tax. It is immediate relief.

Mr. Speaker, 2004, $6 million and below under the Democrat substitute, no tax; under the Republican bill, $3 million there is a tax. That is half the relief of ours. The year 2005, $6 million for the substitute, again half the relief under the Republican plan.

Mr. Speaker, we are going to hear all afternoon about family farmers and small businesses. Make no mistake about it, it is the Democrat substitute that gives relief and gives relief now effective January 1, 2003. Through the year 2008, our relief is better. Why should the majority plan leave that estate exposure at their lower levels for the next 6 years when the Democrat substitute brings it up to $6 million now?

Our plan makes 99.7 percent of the families in this country have no estate worries whatsoever. Why not take the approach of reform today? Let us deal with this problem now and not go the repeal route later.

Mr. HASTINGS of Washington. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. KNOLLENBERG).

Mr. KNOLLENBERG. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I rise in very strong support of this rule. People do not choose when they die; but under the current law, they only have a 1-year window of dying free from the estate tax.

I know all Members believe that is not right. It cannot be right. We have to vote to make permanent repeal of the death tax included in last year's historic tax relief bill.

It is the small businesses and family farms that must be sold to pay the estate tax. And even more people sell their assets before they die so the burden of the death tax is not left to their loved ones.

Permanently repealing the death tax removes unfair double taxation on American families. Even with the repeal of the death tax, all assets transferred from one generation to the next would still be subject to capital gains tax when they are sold.

Simply put, there is no need for the unfair death tax, and every single Member in this body should vote for its permanent repeal. Just look at the diverse organizations that are supporting the repeal: the National Black Chamber of Commerce; the Hispanic Business Roundtable; National Federation of Independent Businesses; National Association of Counties; National Indian Business Association; National Association of Women Business Owners; Black Women Enterprises; the Latino Coalition and there are many, many more.

Mr. Speaker, let us make the death tax repeal permanent. I urge all Members to support the rule and the bill.

Mr. HASTINGS of Florida. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. PASCRELL).

Mr. PASCRELL. Mr. Speaker, I rise today in support of the substitute being offered by the gentleman from North Dakota (Mr. POMEROY) on behalf of the Democrats. This is not about a death tax; this is about pure greed. The ranking member mentioned Mr. Ken Lay of Enron because his estimated estate tax savings will be $59 million. The second in command, Jeffrey Skilling, he will get $55 million. This is about greed; that is what it is about. We are not backing off.

This substitute raises the personal exemption for estate taxes to $3 million per person, $6 million per couple. The gentleman from North Dakota (Mr. POMEROY) just mentioned this will assist 99.7 percent of those who pay estate taxes. Who are those three-tenths of a percent that we left out? In other words, it will help small businesses and farmers without exploiting their circumstances to provide yet another perk for the very, very wealthiest of Americans. There is a reason we have to be responsible here. There is a reason we cannot simply usher through drastic tax cuts for the wealthy, and that reason is our national debt. In the 2 minutes that I will speak here, the national debt interest, the interest on that debt will rise $2 million, just the interest on the debt. These are wasted dollars paying interest on debt rather than paying down the debt. Who has become the party of austerity, I would like to know.

These are wasted dollars, paying interest on debt rather than paying down the debt. Today the national debt is well over $6 trillion. Today's estate tax proposal would cut revenues by $55.8 billion in 2012. The estimated impact of making the repeal permanent would total $109 billion.

Mr. Speaker, this is pure greed. We cannot accept it. We must accept the Pomeroy substitute.

Mr. HASTINGS of Washington. Mr. Speaker, I yield 4 minutes to the gentleman from Florida (Mr. WELDON), the author of this legislation.

Mr. WELDON of Florida. Mr. Speaker, let me start out by first saying that this is a fair rule. It gives the minority

an opportunity for a substitute. I think they can also do a motion to recommit.

I am certainly very pleased and honored that the Committee on Rules and our leadership has sought to bring this bill to the floor for a vote. We passed the tax relief package last year, and there was a provision in the bill that sunsetted all of the provisions in this bill. I think that was most unfortunate, but I understand the nature of the problem, although I do not support it over in the Senate. But the political realities of that body were such that this is what we ended up with.

I think it is very unfortunate to have a sunset provision in any of the tax relief packages. I am hearing today from working-class families in my district, and in particular I spoke to a gentleman who works at Kennedy Space Center who just had a second baby. He discussed how the tax reductions, the increase in the child tax credit is really helping him and his family.

The concern I had about the inheritance tax sunset was very, very specific in that I heard from people, indeed right after we passed that bill, I talked to a small businessman in my congressional district who told me he did not know what to do with his estate plan. Of course as we all know, we have this inheritance tax, and many, many Americans engage in very complicated estate planning to avoid paying the estate tax.

I personally think that is very, very inefficient. I also think the death tax is immoral. If someone has worked all their life and paid their taxes, and been a small businessman creating jobs, and we in the Federal Government have been collecting Federal withholding and Social Security tax for years, to come along and tax the after-tax assets of those people, I think it is morally wrong.

My good friend said what do I do with my estate planning? If I die in 2010, it would be okay for me to eliminate my estate plan. I am paying all these lawyers and accountants. But if I die after 2011, the estate tax comes roaring back. I am going to just keep my complicated estate plan. This guy has 400 employees. He has created hundreds of jobs. We as a Nation are benefiting from his work. Millions of dollars are collected in taxes every year off him and the people who work in his business.

Mr. Speaker, I felt very, very strongly. We specifically had to repeal, if the inheritance tax repeal was going to work properly as we intended, if we want to create jobs and enable small businesses to be passed from the person who started that small business to their sons or daughters, we needed to get rid of the sunset provision; and that is why I introduced the bill.

Mr. Speaker, I want to say a few words about the Democratic substitute. I note today it is true if we pass the Democratic substitute we will cover the vast majority of people. But as we all know, with inflation in time we will no longer be covering the vast majority of people.

The other concern I have about that is we create an environment where there is no tax on the first $3 million, but then like a 50 percent tax on every dollar after that which is a huge marginal rate. As we know, every person with an estate will do everything possible to develop an estate plan so that their estate is less than $3 million at the time of their death.

In the short run it may solve the problem, but in the long run I think it is going to perpetuate the problem. It is really picking winners and losers. I do not think we should do that. I think the estate tax is immoral, and I applaud the Committee on Rules for bringing forth a fair rule.

Mr. HASTINGS of Florida. Mr. Speaker, I yield myself 10 seconds.

Mr. Speaker, I say to the gentleman from Florida (Mr. WELDON) that the moral argument falls on deaf ears from this gentleman from Florida when we have hungry children, seniors and people that are infirm that are unable to proceed in life in a meaningful way.

Mr. Speaker, I yield 2 minutes to the gentlewoman from California (Ms. ESHOO).

□ 1215

Ms. ESHOO. Mr. Speaker, I rise today in opposition to the rule and to speak on the choices that are before us. I think that they are really two very distinct choices and they are different. They both deal with the death tax, the estate tax, but they are different in terms of what they accomplish. My constituents have said to me over and over and over again that they support an elimination of the death tax when it comes to them. This is a debate about how to accomplish it. They want it to be immediate and they want it to be permanent. They want it to be fair. They understand that there are the Bill Gateses of the country that have benefited enormously from our system and our economy and our democracy. So there is a fairness to those huge, huge, huge sums of money that are passed down from one generation to another and that our country should be paid something.

The Pomeroy legislation addresses permanency, fairness, fiscal responsibility and immediacy. For a married couple, $6 million. So if you have an estate of $6 million or less, you do not pay a dime in taxes. That resolves 99.7 percent of the problems and the irritations and the complaints that people have registered with us. It does not have any capital gains tax in it. My Republican friends, under their bill, your house increases, if you paid $50,000 and when you die your home is worth $1 million, you are going to pay a capital gains tax on that.

So under the Pomeroy bill, families, family farms, businesses are all going to win and we are not going to have to pay over $1 trillion in the next decade out of our Federal budget. This makes eminent sense. It is fair. I urge my colleagues to vote for the Pomeroy bill. It is the best one to come down the pike.

Mr. HASTINGS of Washington. Mr. Speaker, I am pleased to yield 3 minutes to the gentleman from California (Mr. CUNNINGHAM).

Mr. CUNNINGHAM. Mr. Speaker, I have a family in San Diego. They are not in my district. I called him a Hispanic American and he corrected me and said, ''I'm a Mexican American, Congressman.'' That gentleman has since passed away. When he immigrated to California over 60 years ago, his family bought a piece of dirt down along the border. It is rock. You still look at it today and it looks like rock and dirt and you cannot grow anything on it and it was basically worthless. But that family worked and saved to buy that piece of land. Like most urban sprawl areas, that land became very valuable. The gentleman died. They had six children. When the tax bill on that property came up, because he did not have money to hire lawyers and to set their estate and probate and all the different things that you can do today, they tried to split the land and sell half of it just because of the interest on the default for the tax, and it did not even cover the penalty. Then they had to sell the rest of it. So those six children ended up with nothing. This is a low-income Hispanic family that had some valuable property that they wanted to hang on to for the family, and the estate tax did away with it.

I am from California, but I grew up in a little town in Shelbina, Missouri. Right there, farmers are having second and third jobs just to hang on to their property. The property, the farm, if they sold it, is probably worth a lot of money, but they sure do not make a lot of money. When that family member dies, that valuable property, the government wants to come in and tax it above 55 percent, and those families cannot afford to pay that tax so they have to sell it off, and all of that 200 years of work into a piece of land, the government takes it, and that is wrong.

Does anybody know where the death tax reared its early head? Not to pay for a war but it was Karl Marx's and Engels' Communist Manifesto. Fact: Karl Marx knew that if you took property away from people and the benefits and things that they had, you could control the bourgeoise, the rich versus the poor, just as my colleagues, day after day, tax breaks for the rich, use class warfare every day. The Democrat socialists of America mantra is government control of health care, government control of education, government control of private property, the highest tax possible and higher socialized spending and cut military. That is in their agenda.

That is what they are trying to do. They want higher taxes. They have never found a tax that they do not like. Yet they want to take private property

away from farmers and the rest of the people. I think that is wrong.

Mr. HASTINGS of Florida. Mr. Speaker, I yield myself 10 seconds.

The Democratic substitute helps people right now. The Republican bill might help people 10 years from now. The chairman of the House Committee on Ways and Means admitted as much to the Committee on Rules Tuesday night.

Mr. Speaker, I yield 2 minutes to the gentleman from Oregon (Mr. DEFAZIO).

Mr. DEFAZIO. Mr. Speaker, we are here today because the Republicans say, well, there was a glitch in the estate tax repeal last year, some kind of a loophole. Well, guess what? The Republicans controlled the House, the Senate and the presidency, and they wrote the entire bill. The reason the estate tax is sunset was because even last year when they were projecting a $5.6 trillion surplus, they could not afford to finance the full repeal of the estate tax on the most wealthy families in America. And guess what? Now with a $300 billion deficit, the Social Security lockbox looted and no prospect except deficits for the future, they are saying, ''Oh, it was a glitch, it was a loophole, we couldn't anticipate it,'' and they want to pass a bill today that will go to 3,000 families a year instead of 53 million Social Security recipients starting in the year 2010. Yes, families, those 3,000 whose estates are worth more than $6 million.

There is an alternative. We have it before us, a fair, affordable and permanent alternative that would take care of every small business, family farm and family forestry operation that I know about. I am concerned about them. I do not want them to prematurely harvest the trees or break up the farms or sell the family business.

The gentleman from California talked about the small businesses would lose their jobs because of the estate tax on estates over $6 million. Like perhaps Ken Lay's small business? He already cost thousands of people their jobs and he will get $59 million under their proposal. Ken Lay, the thief, gets $59 million more.

Then, of course, the small businesses that are being run by Secretary O'Neill. He will get $51 million under this. I am not aware that he is running a small business. This is a huge windfall being taken directly from the broken-open Social Security lockbox and being transferred into the pockets of the most wealthy Americans.

They say, ''Well, they've already paid taxes.'' No, Bill Gates has not paid taxes on his $50 billion fortune. It is unrealized capital gains. If he died today under this bill, there would never be any taxes paid on that $50 billion.

What you are doing is not fair, it is not affordable, it loots Social Security. What we are offering is a fair alternative for family farms, small businesses and other individuals. $6 million is enough of an exemption.

Mr. HASTINGS of Washington. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Georgia (Mr. LINDER), a member of the Committee on Rules.

Mr. LINDER. Mr. Speaker, there was a time in this country that if someone went into business in some of the urban areas, they would get a visit by someone from a crime family who would say something like this: ''We'll let you go in business, and if you lose everything, it's your loss. But if you make profits, I want 35 percent of your profit every year. If you sell this business, we are going to take 20 percent of the sale price.''

If the government found that out, they would arrest them, indict them and put them in jail. But even the Mafia would not come along and say, ''If you die we are going to value your company and take half of it.'' That is exactly what the Federal Government is doing. The Mafia would realize if you kept that business moving to a new generation, it would generate more revenues, maintain more jobs and in the long run they would be better off.

The death tax is a job-killer, but more than anything, it is immoral.

Mr. HASTINGS of Florida. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Georgia (Mr. BISHOP).

Mr. BISHOP. Mr. Speaker, I rise today to recognize the hard-working people of America who have played by the rules and have paid their fair share. Decent, law-abiding, tax-paying Americans are the backbone of this country, Mr. Speaker, and the salt of the earth. They are the farmers of southwest Georgia, the family business owners all across this country from the Atlantic to the Pacific. All across this land are Americans who have paid taxes their entire lives, only to face a final taxing event at death. They paid the taxes during their lifetimes and should not be charged again because they happen to die.

The death tax represents all that is unfair and unjust about the tax structure in America because it undermines the life work and life savings of Americans who want only to pass on to their children and grandchildren the fruits of their labor and the realization of their American dream.

In my State of Georgia, farmers, many of whom are widowed women and the children of deceased farmers, are faced with losing their family farms because of this harsh tax. Employees of small and medium-size family businesses, many of whom are minorities, are at risk of losing their jobs because their employers are forced to pay the unfair and exorbitant death taxes levied upon them. Funeral homes, newspaper publishers, radio station owners and garment manufactures are all affected, all across the demographic spectrum.

Mr. Speaker, although reasonable minds can differ on this issue, I believe that the death tax is politically misguided, morally unjustifiable and downright un-American. Let us vote today to finally eliminate the death tax and return to the American people and their progeny the hard-earned fruits of their labor.

Mr. HASTINGS of Washington. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Missouri (Mr. BLUNT).

Mr. BLUNT. Mr. Speaker, let me first associate myself with the remarks just made by my friend from Georgia. He is exactly right, as we both rise to support the bill later today, and I rise to support the rule right now. This is a tax that needs to be eliminated and this law needs to be taken totally off the books.

We will hear today many other proposals of how we might change it here or change it there or set a new limit nonindexed for inflation at some time in the future. This law needs to be taken off the books. This tax was put on American families, American businesses, to pay for World War I in 1918. We won World War I. We paid for the war. All the bonds have long since been paid off, but this tax is still on the books. Leaving any portion of it in the law allows future Congresses to come back and once again ensure that more and more families have to see the undertaker and the IRS at the same time. It is unconscionable. It should not be what happens to families at the end of a productive career. It should not be what happens to the families that run the kind of businesses, run the kind of farms that the gentleman from Georgia just mentioned. These businesses have been built over years of labor. These farms have been put together over years of labor and hard work. Taxes have been paid on the money that came in. There is no reason for the Federal Government to come in one final time and make it impossible for a family business to continue to be a family business. There is no reason for us to continue to have a law on the books that was designed to pay for a war that has long since been over, has long since been paid for.

This is the day we have a chance to send a specific message to the American people and to our friends in the other body that we want this tax eliminated.

Mr. HASTINGS of Florida. I yield myself 30 seconds, Mr. Speaker. Let me see if I can set this thing straight. I represent an area that has 50 percent of all of the winter vegetables grown. Not one single family farmer has indicated to me that this measure is going to benefit them in any way. I also represent the third highest number of small businesses in the United States of America who receive the first highest number of grants. Government investment is helpful in stimulating this economy. Enough of this foolishness.

Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Vermont (Mr. SANDERS).

□ 1230

Mr. SANDERS. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, the American middle class is getting angry. At a time when the richest 1 percent of the population already owns more wealth than the bottom 95 percent, what we are seeing is the CEOs of large corporations who contribute huge sums of money into the political process giving themselves giant compensation packages worth hundreds of millions of dollars, and then they cut back on the wages and health benefits of their workers. These CEOs take tax breaks from the government, corporate welfare, and they move our jobs to China. They are setting up offshore accounts in Bermuda so they do not have to pay any taxes into our government. They are cooking their books through Arthur Andersen and others so they do not have to pay their fair share of taxes.

What this whole bill is about is nothing more than absolute greed. The richest people in this country, who hold $25,000-a-plate fund-raising dinners here in Washington, they are saying to Congressmen, ''Give us huge tax breaks. We do not care about veterans, who now are wait-listed when they need to get into the VA health system. Forget about them. We need giant tax breaks.''

Let us blow up Social Security. Let us forget about the elderly people, who cannot find doctors who will treat them through Medicare or Medicaid. Let us not worry about the middle class, who cannot afford college education because the Federal Government has not kept pace in financial aid in those programs.

What we are looking about now is ugliness, is greed, is the richest people in this country, who already own so much of this Nation, saying to Congress, give us more, give us more, give us more. Forget about the middle class, forget about working families, forget about the poor.

Mr. Speaker, I am strongly opposed to the Republican proposal.

Mr. HASTINGS of Washington. Mr. Speaker, I yield 15 seconds to the gentleman from California (Mr. CUNNINGHAM).

Mr. CUNNINGHAM. Mr. Speaker, I would tell you, I am a veteran, the gentleman that just spoke is not, and I would say that the gentleman's party over there in 1993 talked about decreasing the tax for the middle class. They could not help themselves. When they controlled the House, the White House and the Senate, they increased even the tax on the middle class.

Mr. HASTINGS of Florida. Mr. Speaker, I yield 10 seconds to the gentleman from Vermont (Mr. SANDERS).

Mr. SANDERS. Mr. Speaker, would my friend from California deny that today veterans all over the United States are being wait-listed, cannot get into the VA system because of lack of adequate funding for our veterans, and, at the same exact time, Congress gives huge tax breaks to the rich?

Mr. HASTINGS of Florida. Mr. Speaker, I yield 2 minutes to my good friend, the gentleman from California (Mr. SHERMAN).

Mr. SHERMAN. Mr. Speaker, I represent Malibu, California, and surrounding towns that are even better off. We pay the estate tax, and I am proud that my district would send me here to oppose this rule and to oppose this bill.

America is under attack. Patriotism is not watching fireworks, it is sacrificing for your country. Our men and women in uniform are doing that, and it would seem to me that if we are going to ask for sacrifice, it should include asking the wealthiest one-half of 1 percent of Americans to pay taxes, as they have even under Ronald Reagan. The generations that fought World War I and fought World War II were patriotic enough to pay this tax, and yet we are told our generation lacks that patriotism. I am here to say that is not true.

But speaking of patriotism, what about these corporations that flee our shores, that tap into our markets and will not pay our taxes, that are Enroning the people of America and incorporating in the Cayman Islands? Vote against this rule, because it will not allow our colleague, the gentleman from North Dakota (Mr. POMEROY), to include in his substitute provisions that would impose tax on those companies that are fleeing our shores.

One of my colleagues from California stood in this well and said that the estate tax should be repealed because Karl Marx was in favor of an estate tax. What an interesting argument.

Mr. Speaker, they, the Republicans, are getting ready. They are waiting for next year, because they will be down here on this floor pointing out that Karl Marx was in favor of social insurance and said so in his writings, and they will tell you that we must repeal Social Security to prove we are not Marxists. And they will have an additional argument. They will tell us we cannot afford Social Security because, after all, we just reduced our revenues by over $1 trillion over a 10-year period by repealing the estate tax.

Vote against the rule and against the bill.

Mr. HASTINGS of Florida. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Ohio (Mr. KUCINICH).

Mr. KUCINICH. Mr. Speaker, I am here to stand for our elderly, our sick, our poor, our workers, America's middle class, who do not benefit from a regressive tax system.

The purpose of the estate tax is to mitigate the accumulation of wealth by family lineage. That makes for a fairer society in which future generations all start with more or less the same opportunities. Democracy needs an estate tax. By contrast, monarchies are characterized by not having estate taxes.

The estate tax is the most progressive of any of the Federal taxes. According to the Internal Revenue Service, out of the approximately 2.3 million deaths in 2000, only 1.9 percent of estates pay the estate tax. These numbers can be contrasted with the income tax, where about 70 percent of families and single individuals owe tax.

The concept of an estate tax goes far back into history. There is evidence of a 10 percent tax on transfers of property at death in ancient Egypt, as early as 700 B.C. Later the Greeks and Romans adopted estate death taxes.

My good friend, the gentleman from California (Mr. CUNNINGHAM), will be glad to know that the perpetuation of large estates within the new monied royalty during the Industrial Revolution led, not Karl Marx, but a Republican President, Theodore Roosevelt, to call for a progressive tax on all beyond a certain amount, either given in life or devised or bequested upon death, to any individual, a tax so framed as to put it out of the power of the owner of one of these enormous fortunes to hand on more than a certain amount to any one individual.

Without the estate tax, the tax burden is more squarely placed on middle and low income workers and their wages. The estate tax ensures that inherited wealth bears more tax burden than earned wages that are the result of work and effort. Estate taxes reduce the concentration of wealth and foster our democracy.

Mr. Speaker, I offered an amendment to preserve the progressive tax system and to repeal all estate tax provisions in the Economic Growth and Tax Relief Reconciliation Act of 2001 so the money would go for a prescription drug benefit.

Mr. HASTINGS of Florida. Mr. Speaker, I am pleased to yield 1 minute to the gentleman from New York (Mr. ENGEL).

Mr. ENGEL. Mr. Speaker, I thank my friend for yielding me time.

Mr. Speaker, let us call this bill for what it is. Unfortunately, it is another Republican raid on Social Security and Medicare. This bill will raid the Social Security and Medicare trust funds at the exact moment the baby-boomers begin to retire. When increased interest on the debt is factored in, this bill will cost nearly three-quarters of a trillion dollars in the decade after 2012, at the same time when Social Security must absorb a huge increase in retirees. In the year 2012 alone, this bill will cost $56 billion, and the cost just keeps growing from there.

This bill begins at the very top and takes a decade to bring relief to small businesses and family farms at the bottom. Most of the benefits of estate tax repeal go to the wealthiest 1 percent of people, a number that is now running at 23,000 estates per year. While this bill repeals the estate tax for the wealthiest first, it provides no immediate relief for small family-owned estates, which are the ones most in need.

This bill is really a disaster. People need to pay their fair share. We need

not to take care of the wealthiest people, we need to take care of the people with the family farms and others. We ought not to be raiding Social Security and Medicare.

I oppose the rule and I oppose the bill.

Mr. HASTINGS of Florida. Mr. Speaker, I am pleased to yield 2 minutes to my good friend, the distinguished gentleman from Texas (Mr. GREEN).

Mr. GREEN of Texas. Mr. Speaker, last year this Congress passed one of the largest tax increases in history. That was during the spring. What we have seen, though, is at that time they said, ''We have surpluses projected. We can afford it.''

Well, first came the economic downturn, and then came September 11, and here we are a year later, the surpluses have evaporated, the Congressional Budget Office is projecting deficits as far as the eye can see, and we are at the bottom of the hole, but now we keep digging it with this bill today.

But it seems people just do not realize that. If we permanently repeal the estate tax, it will cost as much as $1 trillion over 10 years. To make matters worse, most of the $1 trillion will go only to the estates of one-half percent of all estates. So we are providing this tax cut not to people who are no longer with us, but to their estates.

It seems to me it would be better to provide a tax cut to two-member working families out there that would be permanent, instead of worrying about the estate, which only affects a very small percentage of the people in the country.

Why are we talking about passing a tax cut that will benefit the wealthiest 2 percent of Americans when we have deficits as far as the eye can see? What happened to our fiscal responsibility? We are already tapping the Social Security trust fund surplus every year for the next 10 years, and my colleagues will say, oh, we are using it for defense and the anti-terrorism war.

Well, that is just not true. It is because of the tax cuts that were passed last year and because now we are going to try to make them permanent.

Again our fiscal responsibility is out the window. Unless we address the problem of revenue shortfalls, that invasion by the tax cut of the Social Security trust fund will get deeper and longer lasting. We should be putting our financial house in order and stopping the raid on Social Security, but here we are taking up another piece of legislation that further threatens the solvency of the Social Security program and the economic health of our Nation. That is so true.

We have a projected $250 billion deficit next year. It is going to grow for the next 10 years. Yet we are providing a permanent tax cut? Where is the reason on this?

Mr. HASTINGS of Florida. Mr. Speaker, I yield myself the balance of my time.

The SPEAKER pro tempore (Mr. LAHOOD). The gentleman from Florida is recognized for 2 minutes.

Mr. HASTINGS of Florida. Mr. Speaker, if the previous question is defeated, I will offer an amendment to this rule that makes in order the Corporate Patriot Enforcement Act, offered by the gentleman from Massachusetts (Mr. NEAL) and the gentleman from Connecticut (Mr. MALONEY), who have worked hard on this measure, which was stripped from the bill in the Committee on Rules. Their amendment would prevent corporations from fleeing overseas to avoid paying their rightful share of income tax.

It is outrageous, Mr. Speaker, that we are allowing American companies to move offshore strictly for the purposes of avoiding their tax obligation. They are not moving their entire company to Bermuda, Mr. Speaker, they are just planting a post office box in the middle of some sunny desert isle and calling themselves an overseas company.

But are they relying on the Bahamian navy to defend them if they are attacked? Of course not. Are they relying on Bermuda to build roads that bring business to their doors or for the police to keep their companies safe at night? Of course not. Those public services they want to keep right on enjoying courtesy of the United States taxpayer. Well, that is wrong, and the majority knows it, and all Americans know it.

We are in a time of war, Mr. Speaker. That is a fact. And if we are going to give this huge tax break to one-half of 1 percent of all the estates, then the least that we can do is to ask of the beneficiaries of this tax break to fulfill their lawful corporate tax responsibility.

All of the money to pay for this tax break, Mr. Speaker, $99 billion over 10 years, is coming out of the Social Security trust fund. The majority does not think it has to be paid for. Well, that is wrong, and we want to give the Republicans one last chance to do the right thing.

By defeating the previous question, we can tell the tax evaders to come home and protect Social Security. We can make everyone in this country proud knowing that we are all pulling together to pay our fair share. I urge a no vote on the previous question.

Mr. Speaker, I ask unanimous consent that the text of the amendment be printed in the RECORD immediately before the vote on the previous question.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

□ 1245

Mr. HASTINGS of Washington. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me remind my colleagues that this is a fair rule. It allows for a Democrat substitute, and we can debate that, and if desired, we can vote on that substitute. It also allows for a motion to recommit. We can have a vote on that.

But the fact is, this body has spoken on the issue of a death tax several times. It is time to make this death tax relief permanent. It is time to adopt this rule and defeat the previous question and the underlying remarks.

Mr. Speaker, let me conclude that the previous question is an exercise in futility because the minority wants to offer an amendment that would otherwise be ruled out of order as nongermane. So the vote is without substance. The previous question vote itself is simply a procedural motion to close debate on this rule and proceed to a vote on its adoption. The vote has no substantive or policy implications whatsoever.

Mr. Speaker, I include for the RECORD an explanation of the previous question.

The material referred to is as follows:

THE PREVIOUS QUESTION VOTE: WHAT IT MEANS

House Rule XIX (''Previous Question'') provides in part that: ''There shall be a motion for the previous question, which, being ordered, shall have the effect to cut off all debate and bring the House to a direct vote on the immediate question or questions on which it has been ordered.''

In the case of a special rule or order of business resolution reported from the House Rules Committee, providing for the consideration of a specified legislative measure, the previous question is moved following the one hour of debate allowed for under House Rules.

The vote on the previous question is simply a procedural vote on whether to proceed to an immediate vote on adopting the resolution that sets the ground rules for debate and amendment on the legislation it would make in order. Therefore, the vote on the previous question has no substantive legislative or policy implications whatsoever.

The material previously referred to by Mr. HASTINGS of Florida is as follows:

H.R. 2143—PERMANENT DEATH TAX REPEAL OF 2001

In the resolution strike ''and (3)'' and insert the following:

''(3) the amendment printed in Sec. 2 of this resolution if offered by Representative Rangel or a designee, which shall be in order without intervention of any point of order, shall be considered as read, and shall separately debatable for 30 minutes equally divided and controlled by the proponent and an opponent; and (4)''

Sec. 2.

At the end of the bill, add the following title:

TITLE—PROVISIONS CURBING ABUSIVE TAX SHELTERS

Subtitle A—Clarification of Economic Substance Doctrine

SEC. 201. CLARIFICATION OF ECONOMIC SUBSTANCE DOCTRINE.

(a) IN GENERAL.—Section 7701 of the Internal Revenue Code of 1986 is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

''(m) CLARIFICATION OF ECONOMIC SUBSTANCE DOCTRINE; ETC.—

''(1) GENERAL RULES.—

''(A) IN GENERAL.—In applying the economic substance doctrine, the determination of whether a transaction has economic substance shall be made as provided in this paragraph.

''(B) DEFINITION OF ECONOMIC SUBSTANCE.—For purposes of subparagraph (A)—

''(i) IN GENERAL.—A transaction has economic substance only if—

''(I) the transaction changes in a meaningful way (apart from Federal income tax effects) the taxpayer's economic position, and

''(II) the taxpayer has a substantial nontax purpose for entering into such transaction and the transaction is a reasonable means of accomplishing such purpose.

''(ii) SPECIAL RULE WHERE TAXPAYER RELIES ON PROFIT POTENTIAL.—A transaction shall not be treated as having economic substance by reason of having a potential for profit unless—

''(I) the present value of the reasonably expected pre-tax profit from the transaction is substantial in relation to the present value of the expected net tax benefits that would be allowed if the transaction were respected, and

''(II) the reasonably expected pre-tax profit from the transaction exceeds a risk-free rate of return.

''(C) TREATMENT OF FEES AND FOREIGN TAXES.—Fees and other transaction expenses and foreign taxes shall be taken into account as expenses in determining pre-tax profit under subparagraph (B)(ii).

''(2) SPECIAL RULES FOR TRANSACTIONS WITH TAX-INDIFFERENT PARTIES.—

''(A) SPECIAL RULES FOR FINANCING TRANSACTIONS.—The form of a transaction which is in substance the borrowing of money or the acquisition of financial capital directly or indirectly from a tax-indifferent party shall not be respected if the present value of the deductions to be claimed with respect to the transaction are substantially in excess of the present value of the anticipated economic returns of the person lending the money or providing the financial capital. A public offering shall be treated as a borrowing, or an acquisition of financial capital, from a tax-indifferent party if it is reasonably expected that at least 50 percent of the offering will be placed with tax-indifferent parties.

''(B) ARTIFICIAL INCOME SHIFTING AND BASIS ADJUSTMENTS.—The form of a transaction with a tax-indifferent party shall not be respected if—

''(i) it results in an allocation of income or gain to the tax-indifferent party in excess of such party's economic income or gain, or

''(ii) it results in a basis adjustment or shifting of basis on account of overstating the income or gain of the tax-indifferent party.

''(3) DEFINITIONS AND SPECIAL RULES.—For purposes of this subsection—

''(A) ECONOMIC SUBSTANCE DOCTRINE.—The term 'economic substance doctrine' means the common law doctrine under which tax benefits under subtitle A with respect to a transaction are not allowable if the transaction does not have economic substance or lacks a business purpose.

''(B) TAX-INDIFFERENT PARTY.—The term 'tax-indifferent party' means any person or entity not subject to tax imposed by subtitle A. A person shall be treated as a tax-indifferent party with respect to a transaction if the items taken into account with respect to the transaction have no substantial impact on such person's liability under subtitle A.

''(C) EXCEPTION FOR PERSONAL TRANSACTIONS OF INDIVIDUALS.—In the case of an individual, this subsection shall apply only to transactions entered into in connection with a trade or business or an activity engaged in for the production of income.

''(D) TREATMENT OF LESSORS.—In applying subclause (I) of paragraph (1)(B)(ii) to the lessor of tangible property subject to a lease, the expected net tax benefits shall not include the benefits of depreciation, or any tax credit, with respect to the leased property and subclause (II) of paragraph (1)(B)(ii) shall be disregarded in determining whether any of such benefits are allowable.

''(4) OTHER COMMON LAW DOCTRINES NOT AFFECTED.—Except as specifically provided in this subsection, the provisions of this subsection shall not be construed as altering or supplanting any other rule of law referred to in section 6662(i)(2), and the requirements of this subsection shall be construed as being in addition to any such other rule of law.''

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions after the date of the enactment of this Act.

Subtitle B—Penalties

SEC. 211. INCREASE IN PENALTY ON UNDERPAYMENTS RESULTING FROM FAILURE TO SATISFY CERTAIN COMMON LAW RULES.

(a) IN GENERAL.—Section 6662 of the Internal Revenue Code of 1986 (relating to imposition of accuracy-related penalty) is amended by adding at the end the following new subsection:

''(i) INCREASE IN PENALTY IN CASE OF FAILURE TO SATISFY CERTAIN COMMON LAW RULES.—

''(1) IN GENERAL.—To the extent that an underpayment is attributable to a disallowance described in paragraph (2)—

''(A) subsection (a) shall be applied with respect to such portion by substituting '40 percent' for '20 percent', and

''(B) subsection (d)(2)(B) and section 6664(c) shall not apply.

''(2) DISALLOWANCES DESCRIBED.—A disallowance is described in this subsection if such disallowance is on account of—

''(A) a lack of economic substance (within the meaning of section 7701(m)(1)) for the transaction giving rise to the claimed benefit or the transaction was not respected under section 7701(m)(2),

''(B) a lack of business purpose for such transaction or because the form of the transaction does not reflect its substance, or

''(C) a failure to meet the requirements of any other similar rule of law.

''(3) INCREASE IN PENALTY NOT TO APPLY IF COMPLIANCE WITH DISCLOSURE REQUIREMENTS.—Paragraph (1)(A) shall not apply if the taxpayer discloses to the Secretary (as such time and in such manner as the Secretary shall prescribe) such information as the Secretary shall prescribe with respect to such transaction.''.

(b) MODIFICATIONS TO PENALTY ON SUBSTANTIAL UNDERSTATEMENT OF INCOME TAX.—

(1) MODIFICATION OF THRESHOLD.—Subparagraph (A) of section 6662(d)(1) of such Code is amended to read as follows:

''(A) IN GENERAL.—For purposes of this section, there is a substantial understatement of income tax for any taxable year if the amount of the understatement for the taxable year exceeds the lesser of—

''(i) $500,000, or

''(ii) the greater of 10 percent of the tax required to be shown on the return for the taxable year or $5,000.''

(2) MODIFICATION OF PENALTY ON TAX SHELTERS, ETC.—Clauses (i) and (ii) of section 6662(d)(2)(C) of such Code are amended to read as follows:

''(i) IN GENERAL.—Subparagraph (B) shall not apply to any item attributable to a tax shelter.''

''(ii) DETERMINATION OF UNDERSTATEMENTS WITH RESPECT TO TAX SHELTERS, ETC.—In any case in which there are one or more items attributable to a tax shelter, the amount of the understatement under subparagraph (A) shall in no event be less than the amount of understatement which would be determined for the taxable year if all items shown on the return which are not attributable to any tax shelter were treated as being correct. A similar rule shall apply in cases to which subsection (i) applies, whether or not the items are attributable to a tax shelter.''

(c) TREATMENT OF AMENDED RETURNS.—Subsection (a) of section 6664 of such Code is amended by adding at the end the following new sentence: ''For purposes of this subsection, an amended return shall be disregarded if such return is filed on or after the date the taxpayer is first contacted by the Secretary regarding the examination of the return.''

SEC. 212. PENALTY ON PROMOTERS OF TAX AVOIDANCE STRATEGIES WHICH HAVE NO ECONOMIC SUBSTANCE, ETC.

(a) PENALTY.—

(1) IN GENERAL.—Section 6700 of the Internal Revenue Code of 1986 (relating to promoting abusive tax shelters, etc.) is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

''(c) PENALTY ON SUBSTANTIAL PROMOTERS FOR PROMOTING TAX AVOIDANCE STRATEGIES WHICH HAVE NO ECONOMIC SUBSTANCE, ETC.—

''(1) IMPOSITION OF PENALTY.—Any substantial promoter of a tax avoidance strategy shall pay a penalty in the amount determined under paragraph (2) with respect to such strategy if such strategy (or any similar strategy promoted by such promoter) fails to meet the requirements of any rule of law referred to in section 6662(i)(2).

''(2) AMOUNT OF PENALTY.—The penalty under paragraph (1) with respect to a promoter of a tax avoidance strategy is an amount equal to 100 percent of the gross income derived (or to be derived) by such promoter from such strategy.

''(3) TAX AVOIDANCE STRATEGY.—For purposes of this subsection, the term 'tax avoidance strategy' means any entity, plan, arrangement, or transaction a significant purpose of the structure of which is the avoidance or evasion of Federal income tax.

''(4) SUBSTANTIAL PROMOTER.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'substantial promoter' means, with respect to any tax avoidance strategy, any promoter if—

''(i) such promoter offers such strategy to more than 1 potential participant, and

''(ii) such promoter may receive fees in excess of $500,000 in the aggregate with respect to such strategy.

''(B) AGGREGATION RULES.—For purposes of this paragraph—

''(i) RELATED PERSONS.—A promoter and all persons related to such promoter shall be treated as 1 person who is a promoter.

''(ii) SIMILAR STRATEGIES.—All similar tax avoidance strategies of a promoter shall be treated as 1 tax avoidance strategy.

''(C) PROMOTER.—The term 'promoter' means any person who participates in the promotion, offering, or sale of the tax avoidance strategy.

''(D) RELATED PERSON.—Persons are related if they bear a relationship to each other which is described in section 267(b) or 707(b).

''(4) COORDINATION WITH SUBSECTION (a).—No penalty shall be imposed by this subsection on any promoter with respect to a tax avoidance strategy if a penalty is imposed under subsection (a) on such promoter with respect to such strategy.''

(2) CONFORMING AMENDMENT.—Subsection (d) of section 6700 of such Code is amended—

(A) by striking ''PENALTY'' and inserting ''PENALTIES'', and

(B) by striking ''penalty'' the first place it appears in the text and inserting ''penalties''.

(b) INCREASE IN PENALTY ON PROMOTING ABUSIVE TAX SHELTERS.—The first sentence of section 6700(a) of such Code is amended by striking ''a penalty equal to'' and all that follows and inserting ''a penalty equal to the greater of $1,000 or 100 percent of the gross income derived (or to be derived) by such person from such activity.''

SEC. 213. MODIFICATIONS OF PENALTIES FOR AIDING AND ABETTING UNDERSTATEMENT OF TAX LIABILITY INVOLVING TAX SHELTERS.

(a) IMPOSITION OF PENALTY.—Section 6701(a) of the Internal Revenue Code of 1986 (relating to imposition of penalty) is amended to read as follows:

''(a) IMPOSITION OF PENALTIES.—

''(1) IN GENERAL.—Any person—

''(A) who aids or assists in, procures, or advises with respect to, the preparation or presentation of any portion of a return, affidavit, claim, or other document,

''(B) who knows (or has reason to believe) that such portion will be used in connection with any material matter arising under the internal revenue laws, and

''(C) who knows that such portion (if so used) would result in an understatement of the liability for tax of another person,

shall pay a penalty with respect to each such document in the amount determined under subsection (b).

''(2) CERTAIN TAX SHELTERS.—If—

''(A) any person—

''(i) aids or assists in, procures, or advises with respect to the creation, organization, sale, implementation, management, or reporting of a tax shelter (as defined in section 6662(d)(2)(C)(iii)) or of any entity, plan, arrangement, or transaction that fails to meet the requirements of any rule of law referred to in section 6662(i)(2), and

''(ii) opines, advises, represents, or otherwise indicates (directly or indirectly) that the taxpayer's tax treatment of items attributable to such tax shelter or such entity, plan, arrangement, or transaction and giving rise to an understatement of tax liability would more likely than not prevail or not give rise to a penalty,

''(B) such opinion, advice, representation, or indication is unreasonable,

then such person shall pay a penalty in the amount determined under subsection (b). If a standard higher than the more likely than not standard was used in any such opinion, advice, representation, or indication, then subparagraph (A)(ii) shall be applied as if such standard were substituted for the more likely than not standard.''

(b) AMOUNT OF PENALTY.—Section 6701(b) of such Code (relating to amount of penalty) is amended—

(1) by inserting ''or (3)'' after ''paragraph (2)'' in paragraph (1),

(2) by striking ''subsection (a)'' each place it appears and inserting ''subsection (a)(1)'', and

(3) by redesignating paragraph (3) as paragraph (4) and by adding after paragraph (2) the following:

''(3) TAX SHELTERS.—In the case of—

''(A) a penalty imposed by subsection (a)(1) which involves a return, affidavit, claim, or other document relating to a tax shelter or an entity, plan, arrangement, or transaction that fails to meet the requirements of any rule of law referred to in section 6662(i)(2), and

''(B) any penalty imposed by subsection (a)(2),

the amount of the penalty shall be equal to 100 percent of the gross proceeds derived (or to be derived) by the person in connection with the tax shelter or entity, plan, arrangement, or transaction.''

(c) REFERRAL AND PUBLICATION.—If a penalty is imposed under section 6701(a)(2) of such Code (as added by subsection (a)) on any person, the Secretary of the Treasury shall—

(1) notify the Director of Practice of the Internal Revenue Service and any appropriate State licensing authority of the penalty and the circumstances under which it was imposed, and

(2) publish the identity of the person and the fact the penalty was imposed on the person.

(d) CONFORMING AMENDMENTS.—

(1) Section 6701(d) of such Code is amended by striking ''Subsection (a)'' and inserting ''Subsection (a)(1)''.

(2) Section 6701(e) of such Code is amended by striking ''subsection (a)(1)'' and inserting ''subsection (a)(1)(A)''.

(3) Section 6701(f) of such Code is amended by inserting '', tax shelter, or entity, plan, arrangement, or transaction'' after ''document'' each place it appears.

SEC. 214. FAILURE TO MAINTAIN LISTS.

Section 6708(a) of the Internal Revenue Code of 1986 (relating to failure to maintain lists of investors in potentially abusive tax shelters) is amended by adding at the end the following: ''In the case of a tax shelter (as defined in section 6662(d)(2)(C)(iii)) or entity, plan, arrangement, or transaction that fails to meet the requirements of any rule of law referred to in section 6662(i)(2), the penalty shall be equal to 50 percent of the gross proceeds derived (or to be derived) from each person with respect to which there was a failure and the limitation of the preceding sentence shall not apply.''

SEC. 215. PENALTY FOR FAILING TO DISCLOSE REPORTABLE TRANSACTION.

(a) IN GENERAL.—Part I of subchapter B of chapter 68 of the Internal Revenue Code of 1986 (relating to assessable penalties) is amended by inserting after section 6707 the following new section:

''SEC. 6707A. PENALTY FOR FAILURE TO INCLUDE TAX SHELTER INFORMATION WITH RETURN.

''(a) IMPOSITION OF PENALTY.—Any person who fails to include with its return of Federal income tax any information required to be included under section 6011 with respect to a reportable transaction shall pay a penalty in the amount determined under subsection (b). No penalty shall be imposed on any such failure if it is shown that such failure is due to reasonable cause.

''(b) AMOUNT OF PENALTY.—

''(1) IN GENERAL.—The amount of the penalty under subsection (a) shall be equal to the greater of—

''(A) 5 percent of any increase in Federal tax which results from a difference between the taxpayer's treatment (as shown on its return) of items attributable to the reportable transaction to which the failure relates and the proper tax treatment of such items, or

''(B) $100,000.

For purposes of subparagraph (A), the last sentence of section 6664(a) shall apply.

''(2) LISTED TRANSACTION.—If the failure under subsection (a) relates to a reportable transaction which is the same as, or substantially similar to, a transaction specifically identified by the Secretary as a tax avoidance transaction for purposes of section 6011, paragraph (1)(A) shall be applied by substituting '10 percent' for '5 percent'.

''(c) REPORTABLE TRANSACTION.—For purposes of this section, the term 'reportable transaction' means any transaction with respect to which information is required under section 6011 to be included with a taxpayer's return of tax because, as determined under regulations prescribed under section 6011, such transaction has characteristics which may be indicative of a tax avoidance transaction.

''(d) COORDINATION WITH OTHER PENALTIES.—The penalty imposed by this section is in addition to any penalty imposed under section 6662.''

(b) CONFORMING AMENDMENT.—The table of sections for part I of subchapter B of chapter 68 of such Code is amended by inserting after the item relating to section 6707 the following:

''Sec. 6707A. Penalty for failure to include tax shelter information on return.''

SEC. 216. REGISTRATION OF CERTAIN TAX SHELTERS WITHOUT CORPORATE PARTICIPANTS.

Section 6111(d)(1)(A) of the Internal Revenue Code of 1986 (relating to certain confidential arrangements treated as tax shelters) is amended by striking ''for a direct or indirect participant which is a corporation''.

SEC. 217. EFFECTIVE DATES.

(a) IN GENERAL.—Except as provided in subsections (b) and (c), the amendments made by this subtitle shall apply to transactions after the date of the enactment of this Act.

(b) SECTION 211.—The amendments made by subsections (b) and (c) of section 211 shall apply to taxable years ending after the date of the enactment of this Act.

(c) SECTION 212.—The amendments made by subsection (a) of section 212 shall apply to any tax avoidance strategy (as defined in section 6700(c) of the Internal Revenue Code of 1986, as amended by this subtitle) interests in which are offered to potential participants after the date of the enactment of this Act.

(d) SECTION 216.—The amendment made by section 216 shall apply to any tax shelter interest which is offered to potential participants after the date of the enactment of this Act.

Subtitle C—Limitations on Importation or Transfer of Built-In Losses

SEC. 221. LIMITATION ON IMPORTATION OF BUILT-IN LOSSES.

(a) IN GENERAL.—Section 362 of the Internal Revenue Code of 1986 (relating to basis to corporations) is amended by adding at the end the following new subsection:

''(e) LIMITATION ON IMPORTATION OF BUILT-IN LOSSES.—

''(1) IN GENERAL.—If in any transaction described in subsection (a) or (b) there would (but for this subsection) be an importation of a net built-in loss, the basis of each property described in paragraph (2) which is acquired in such transaction shall (notwithstanding subsections (a) and (b)) be its fair market value immediately after such transaction.

''(2) PROPERTY DESCRIBED.—For purposes of paragraph (1), property is described in this paragraph if—

''(A) gain or loss with respect to such property is not subject to tax under this subtitle in the hands of the transferor immediately before the transfer, and

''(B) gain or loss with respect to such property is subject to such tax in the hands of the transferee immediately after such transfer.

In any case in which the transferor is a partnership, the preceding sentence shall be applied by treating each partner in such partnership as holding such partner's proportionate share of the property of such partnership.

''(3) IMPORTATION OF NET BUILT-IN LOSS.—For purposes of paragraph (1), there is an importation of a net built-in loss in a transaction if the transferee's aggregate adjusted bases of property described in paragraph (2) which is transferred in such transaction would (but for this subsection) exceed the fair market value of such property immediately after such transaction.''

(b) COMPARABLE TREATMENT WHERE LIQUIDATION.—Paragraph (1) of section 334(b) of such Code (relating to liquidation of subsidiary) is amended to read as follows:

''(1) IN GENERAL.—If property is received by a corporate distributee in a distribution in a complete liquidation to which section 332 applies (or in a transfer described in section 337(b)(1)), the basis of such property in the hands of such distributee shall be the same as it would be in the hands of the transferor; except that the basis of such property in the hands of such distributee shall be the fair market value of the property at the time of the distribution—

''(A) in any case in which gain or loss is recognized by the liquidating corporation with respect to such property, or

''(B) in any case in which the liquidating corporation is a foreign corporation, the corporate distributee is a domestic corporation, and the corporate distributee's aggregate adjusted bases of property described in section 362(e)(2) which is distributed in such liquidation would (but for this subparagraph) exceed the fair market value of such property immediately after such liquidation.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions after the date of the enactment of this Act.

SEC. 222. DISALLOWANCE OF PARTNERSHIP LOSS TRANSFERS.

(a) TREATMENT OF CONTRIBUTED PROPERTY WITH BUILT-IN LOSS.—Paragraph (1) of section 704(c) of the Internal Revenue Code of 1986 is amended by striking ''and'' at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting '', and'', and by adding at the end the following:

''(C) if any property so contributed has a built-in loss—

''(i) such built-in loss shall be taken into account only in determining the amount of items allocated to the contributing partner, and

''(ii) except as provided in regulations, in determining the amount of items allocated to other partners, the basis of the contributed property in the hands of the partnership shall be treated as being equal to its fair market value immediately after the contribution.

For purposes of subparagraph (C), the term 'built-in loss' means the excess of the adjusted basis of the property over its fair market value immediately after the contribution.''

(b) ADJUSTMENT TO BASIS OF PARTNERSHIP PROPERTY ON TRANSFER OF PARTNERSHIP INTEREST IF THERE IS SUBSTANTIAL BUILT-IN LOSS.—

(1) ADJUSTMENT REQUIRED.—Subsection (a) of section 743 of such Code (relating to optional adjustment to basis of partnership property) is amended by inserting before the period ''or unless the partnership has a substantial built-in loss immediately after such transfer''.

(2) ADJUSTMENT.—Subsection (b) of section 743 of such Code is amended by inserting ''or with respect to which there is a substantial built-in loss immediately after such transfer'' after ''section 754 is in effect''.

(3) SUBSTANTIAL BUILT-IN LOSS.—Section 743 of such Code is amended by adding at the end the following new subsection:

''(d) SUBSTANTIAL BUILT-IN LOSS.—For purposes of this section, a partnership has a substantial built-in loss with respect to a transfer of an interest in a partnership if the transferee partner's proportionate share of the adjusted basis of the partnership property exceeds 110 percent of the basis of such partner's interest in the partnership.''

(4) CLERICAL AMENDMENTS.—

(A) The section heading for section 743 of such Code is amended to read as follows:

''SEC. 743. ADJUSTMENT TO BASIS OF PARTNERSHIP PROPERTY WHERE SECTION 754 ELECTION OR SUBSTANTIAL BUILT-IN LOSS.''

(B) The table of sections for subpart C of part II of subchapter K of chapter 1 of such Code is amended by striking the item relating to section 743 and inserting the following new item:

''Sec. 743. Adjustment to basis of partnership property where section 754 election or substantial built-in loss.''

(c) ADJUSTMENT TO BASIS OF UNDISTRIBUTED PARTNERSHIP PROPERTY IF THERE IS SUBSTANTIAL BASIS REDUCTION.—

(1) ADJUSTMENT REQUIRED.—Subsection (a) of section 734 of such Code (relating to optional adjustment to basis of undistributed partnership property) is amended by inserting before the period ''or unless there is a substantial basis reduction''.

(2) ADJUSTMENT.—Subsection (b) of section 734 of such Code is amended by inserting ''or unless there is a substantial basis reduction'' after ''section 754 is in effect''.

(3) SUBSTANTIAL BASIS REDUCTION.—Section 734 of such Code is amended by adding at the end the following new subsection:

''(d) SUBSTANTIAL BASIS REDUCTION.—For purposes of this section, there is a substantial basis reduction with respect to a distribution if the sum of the amounts described in subparagraphs (A) and (B) of subsection (b)(2) exceeds 10 percent of the aggregate adjusted basis of partnership property immediately after the distribution.''

(4) CLERICAL AMENDMENTS.—

(A) The section heading for section 734 of such Code is amended to read as follows:

''SEC. 734. ADJUSTMENT TO BASIS OF UNDISTRIBUTED PARTNERSHIP PROPERTY WHERE SECTION 754 ELECTION OR SUBSTANTIAL BASIS REDUCTION.''

(B) The table of sections for subpart B of part II of subchapter K of chapter 1 of such Code is amended by striking the item relating to section 734 and inserting the following new item:

''Sec. 734. Adjustment to basis of undistributed partnership property where section 754 election or substantial basis reduction.''

(d) EFFECTIVE DATES.—

(1) SUBSECTION (a).—The amendment made by subsection (a) shall apply to contributions made after the date of the enactment of this Act.

(2) SUBSECTION (b).—The amendments made by subsection (a) shall apply to transfers after the date of the enactment of this Act.

(3) SUBSECTION (c).—The amendments made by subsection (a) shall apply to distributions after the date of the enactment of this Act.

Subtitle D—Prevention of Corporate Expatriation To Avoid United States Income Tax

SEC. 231. PREVENTION OF CORPORATE EXPATRIATION TO AVOID UNITED STATES INCOME TAX.

(a) IN GENERAL.—Paragraph (4) of section 7701(a) of the Internal Revenue Code of 1986 (defining domestic) is amended to read as follows:

''(4) DOMESTIC.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'domestic' when applied to a corporation or partnership means created or organized in the United States or under the law of the United States or of any State unless, in the case of a partnership, the Secretary provides otherwise by regulations.

''(B) CERTAIN CORPORATIONS TREATED AS DOMESTIC.—

''(i) IN GENERAL.—The acquiring corporation in a corporate expatriation transaction shall be treated as a domestic corporation.

''(ii) CORPORATE EXPATRIATION TRANSACTION.—For purposes of this subparagraph, the term 'corporate expatriation transaction' means any transaction if—

''(I) a nominally foreign corporation (referred to in this subparagraph as the 'acquiring corporation') acquires, as a result of such transaction, directly or indirectly substantially all of the properties held directly or indirectly by a domestic corporation, and

''(II) immediately after the transaction, more than 80 percent of the stock (by vote or value) of the acquiring corporation is held by former shareholders of the domestic corporation by reason of holding stock in the domestic corporation.

''(iii) LOWER STOCK OWNERSHIP REQUIREMENT IN CERTAIN CASES.—Subclause (II) of clause (ii) shall be applied by substituting '50 percent' for '80 percent' with respect to any nominally foreign corporation if—

''(I) such corporation does not have substantial business activities (when compared to the total business activities of the expanded affiliated group) in the foreign country in which or under the law of which the corporation is created or organized, and

''(II) the stock of the corporation is publicly traded and the principal market for the public trading of such stock is in the United States.

''(iv) PARTNERSHIP TRANSACTIONS.—The term 'corporate expatriation transaction' includes any transaction if—

''(I) a nominally foreign corporation (referred to in this subparagraph as the 'acquiring corporation') acquires, as a result of such transaction, directly or indirectly properties constituting a trade or business of a domestic partnership,

''(II) immediately after the transaction, more than 80 percent of the stock (by vote or value) of the acquiring corporation is held by former partners of the domestic partnership or related foreign partnerships (determined without regard to stock of the acquiring corporation which is sold in a public offering related to the transaction), and

''(III) the acquiring corporation meets the requirements of subclauses (I) and (II) of clause (iii).

''(v) SPECIAL RULES.—For purposes of this subparagraph—

''(I) a series of related transactions shall be treated as 1 transaction, and

''(II) stock held by members of the expanded affiliated group which includes the acquiring corporation shall not be taken into account in determining ownership.

''(vi) OTHER DEFINITIONS.—For purposes of this subparagraph—

''(I) NOMINALLY FOREIGN CORPORATION.—The term 'nominally foreign corporation' means any corporation which would (but for this subparagraph) be treated as a foreign corporation.

''(II) EXPANDED AFFILIATED GROUP.—The term 'expanded affiliated group' means an affiliated group (as defined in section 1504(a) without regard to section 1504(b)).''

(b) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendment made by this section shall apply to corporate expatriation transactions completed after September 11, 2001.

(2) SPECIAL RULE.—The amendment made by this section shall also apply to corporate expatriation transactions completed on or before September 11, 2001, but only with respect to taxable years of the acquiring corporation beginning after December 31, 2003.

Amend the title so as to read: ''A bill to amend the Internal Revenue Code of 1986 to

restore the estate tax, to limit its applicability to estates of over $3,000,000, and for other purposes.''

Mr. HASTINGS of Washington. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore (Mr. LAHOOD). The question is on ordering the previous question on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. HASTINGS of Florida. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

Pursuant to clause 9 of rule XX the Chair will reduce to 5 minutes the minimum time for electronic voting, if ordered, on adoption of the resolution.

The vote was taken by electronic device, and there were—yeas 223, nays 201, not voting 10, as follows:

[Roll No. 215]

YEAS—223

Aderholt
Akin
Armey
Bachus
Baker
Ballenger
Barcia
Barr
Bartlett
Barton
Bass
Bereuter
Biggert
Bilirakis
Bishop
Blunt
Boehlert
Boehner
Bonilla
Bono
Boozman
Boucher
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Carson (OK)
Castle
Chabot
Coble
Collins
Cooksey
Cox
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ferguson
Flake
Fletcher
Foley
Forbes
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gillmor
Gilman
Goode
Goodlatte
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (TX)
Hansen
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Hulshof
Hunter
Hyde
Isakson
Issa
Istook
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (KY)
Lucas (OK)
Manzullo
McCrery
McHugh
McInnis
McKeon
Mica
Miller, Dan
Miller, Gary
Miller, Jeff
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Osborne
Ose
Otter
Oxley
Paul
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Reynolds
Riley
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Saxton
Schaffer
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simmons
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Stearns
Stump
Sullivan
Sununu
Sweeney
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Upton
Vitter
Walden
Walsh
Wamp
Watkins (OK)
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NAYS—201

Abercrombie
Ackerman
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barrett
Becerra
Bentsen
Berkley
Berman
Berry
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boyd
Brady (PA)
Brown (OH)
Capps
Capuano
Cardin
Carson (IN)
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Crowley
Cummings
Davis (CA)
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank
Frost
Gephardt
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Harman
Hastings (FL)
Hill
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
LaFalce
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lipinski
Lofgren
Lowey
Luther
Lynch
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Mollohan
Moore
Moran (VA)
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Phelps
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Ross
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Schiff
Scott
Sherman
Shows
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Waters
Watson (CA)
Watt (NC)
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOT VOTING—10

Brown (FL)
Chambliss
Combest
Gilchrest
Houghton
Lewis (GA)
Napolitano
Serrano
Simpson
Traficant

□ 1309

Mr. RUSH and Mr. CUMMINGS changed their vote from ''yea'' to ''nay.''

Mr. TANCREDO changed his vote from ''nay'' to ''yea.''

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. LAHOOD). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. HASTINGS of Florida. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 227, nays 195, not voting 12, as follows:

[Roll No. 216]

YEAS—227

Aderholt
Akin
Armey
Bachus
Baker
Ballenger
Barcia
Barr
Bartlett
Barton
Bass
Bereuter
Biggert
Bilirakis
Bishop
Blunt
Boehlert
Boehner
Bonilla
Bono
Boozman
Boucher
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Coble
Collins
Condit
Cooksey
Cox
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ferguson
Flake
Fletcher
Foley
Forbes
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gillmor
Gilman
Goode
Goodlatte
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (TX)
Hansen
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Hulshof
Hunter
Hyde
Isakson
Issa
Istook
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (KY)
Lucas (OK)
Manzullo
Matheson
McCrery
McHugh
McInnis
McKeon
Mica
Miller, Dan
Miller, Gary
Miller, Jeff
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Osborne
Ose
Otter
Oxley
Paul
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Reynolds
Riley
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Saxton
Schaffer
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skeen
Smith (NJ)
Smith (TX)
Souder
Stearns
Stump
Sullivan
Sununu
Sweeney
Tancredo
Tanner
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Tiberi
Toomey

Upton	Watts (OK)	Wilson (NM)
Vitter	Weldon (FL)	Wilson (SC)
Walden	Weldon (PA)	Wolf
Walsh	Weller	Young (AK)
Wamp	Whitfield	Young (FL)
Watkins (OK)	Wicker	

NAYS—195

Abercrombie	Hall (OH)	Nadler
Ackerman	Hastings (FL)	Napolitano
Allen	Hill	Neal
Andrews	Hilliard	Oberstar
Baca	Hinchey	Obey
Baird	Hinojosa	Olver
Baldacci	Hoeffel	Ortiz
Baldwin	Holden	Owens
Barrett	Holt	Pallone
Becerra	Honda	Pascrell
Bentsen	Hooley	Pastor
Berkley	Hoyer	Payne
Berman	Inslee	Pelosi
Berry	Israel	Phelps
Blagojevich	Jackson (IL)	Pomeroy
Blumenauer	Jackson-Lee (TX)	Price (NC)
Bonior	Jefferson	Rahall
Borski	John	Rangel
Boswell	Johnson, E. B.	Reyes
Boyd	Jones (OH)	Rivers
Brady (PA)	Kanjorski	Rodriguez
Brown (FL)	Kaptur	Ross
Brown (OH)	Kennedy (RI)	Rothman
Capps	Kildee	Roybal-Allard
Capuano	Kilpatrick	Rush
Cardin	Kind (WI)	Sabo
Carson (IN)	Kleczka	Sanchez
Clay	Kucinich	Sanders
Clayton	LaFalce	Sawyer
Clement	Lampson	Schakowsky
Clyburn	Langevin	Schiff
Conyers	Lantos	Scott
Costello	Larsen (WA)	Sherman
Coyne	Larson (CT)	Shows
Cramer	Lee	Skelton
Crowley	Levin	Slaughter
Cummings	Lipinski	Smith (WA)
Davis (CA)	Lofgren	Snyder
Davis (FL)	Lowey	Solis
Davis (IL)	Luther	Spratt
DeFazio	Maloney (CT)	Stark
DeGette	Maloney (NY)	Stenholm
Delahunt	Markey	Strickland
DeLauro	Mascara	Stupak
Deutsch	Matsui	Tauscher
Dicks	McCarthy (MO)	Taylor (MS)
Dingell	McCarthy (NY)	Thompson (CA)
Doggett	McCollum	Thompson (MS)
Dooley	McDermott	Thurman
Doyle	McGovern	Tierney
Edwards	McIntyre	Towns
Engel	McKinney	Turner
Eshoo	McNulty	Udall (CO)
Etheridge	Meehan	Udall (NM)
Evans	Meek (FL)	Velázquez
Farr	Meeks (NY)	Visclosky
Fattah	Menendez	Waters
Filner	Millender-McDonald	Watson (CA)
Ford	Miller, George	Watt (NC)
Frank	Mink	Waxman
Frost	Mollohan	Weiner
Gephardt	Moore	Wexler
Gonzalez	Moran (VA)	Woolsey
Gordon	Murtha	Wu
Green (TX)		Wynn
Gutierrez		

NOT VOTING—12

Carson (OK)	Harman	Sandlin
Chambliss	Houghton	Serrano
Combest	Lewis (GA)	Smith (MI)
Gilchrest	Lynch	Traficant

□ 1319

Mr. ISRAEL changed his vote from ''yea'' to ''nay.''

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. THOMAS. Mr. Speaker, pursuant to House Resolution 435, I call up the bill (H.R. 2143) to make the repeal of the estate tax permanent, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. SIMPSON). Pursuant to House Resolution 435, the bill is considered read for amendment.

The text of H.R. 2143 is as follows:

H.R. 2143

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Permanent Death Tax Repeal Act of 2001''.

SEC. 2. ESTATE TAX REPEAL MADE PERMANENT.

(a) IN GENERAL.—Section 901 of the Economic Growth and Tax Relief Reconciliation Act of 2001 is amended—

(1) in subsection (a) by striking ''shall not apply—'' and all that follows and inserting ''(other than title V) shall not apply to taxable, plan, or limitation years beginning after December 31, 2010.'', and

(2) in subsection (b) by striking '', estates, gifts, and transfers''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect as if included in section 901 of the Economic Growth and Tax Relief Reconciliation Act of 2001.

The SPEAKER pro tempore. After 1 hour of debate on the bill, it shall be in order to consider the amendment printed in House Report 107–494, if offered by the gentleman from New York (Mr. RANGEL) or his designee, which shall be considered read and shall be debatable for 1 hour, equally divided and controlled by a proponent and an opponent.

The gentleman from California (Mr. THOMAS) and the gentleman from New York (Mr. RANGEL) each will control 30 minutes of debate on the bill.

The Chair recognizes the gentleman from California (Mr. THOMAS).

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume.

Dying has been euphemistically called ''buying the farm,'' but for many Americans today, reality is that when they die, they have to sell the farm. The argument that two iron clad rules of life are death and taxes are currently linked in the law today in the most bizarre fashion, and that is, although we still have the certainty of death and taxes, the interrelated consequence of each is timed unfortunately to the question of when someone dies.

How in the world have we gotten ourselves into this particular situation? The House has voted twice to repeal the death tax, not just for 10 years, permanent repeal. However, in dealing with the other body, given the arcane rules of the other body, we currently have the situation in which the death tax is reduced, then ended and then reinstated.

Providing real tax relief today currently has a hook tomorrow, and one of the things we need to do is to make sure that we move the permanency of the estate tax repeal so that those who awaken on New Year's Day 2011 are not faced with a massive tax increase.

Mr. Speaker, I reserve the balance of my time, and I yield the remainder of my time to the gentlewoman from Washington (Ms. DUNN) of the Committee on Ways and Means and ask unanimous consent that the gentlewoman control the remainder of my time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

I want to thank the chairman of the committee for allowing us to adjourn the full committee hearing that really dealt with runaway corporations trying to avoid their legal tax liability and going to foreign countries. The chairman agreed that our full committee should be here on the floor to deal with this important piece of legislation, rather than have our full committee over there in a hearing room listening to testimony when we did not intend to legislate. It was not his fault that we had a conflict of a major bill in the committee and a major bill on the floor. So his acceptance of the motion to adjourn means a great deal to us on the Committee on Ways and Means, and I would like to thank him for it.

As he said, yes, death and taxes are with us; but he omitted saying, but so was politics, because the only reason that this bill is on the floor is not just because this is an election year, but because we are nearing the election and who are the ones that make the campaign contributions? It is not those people who are the low-income people. It is not our old folks that are looking for prescription drugs, and it certainly is not our kids who are looking for a decent education.

I would say that if anyone looked and found out who the beneficiaries would be, it would be less than 1 percent of the taxpayers of the United States of America, those who are blessed not only with high income and great estates, but those who are blessed with a whole lot of great Republican friends that would like to have them even extend benefits.

Some of the Members of the House who have thought to do this at a time of war, to take a bill that is going to cost over the next 10 years, including the debt service, close to $1 trillion, to do this without making permanent the 10 percent tax cut or the child credit, to do this when we do not even have a decent prescription drug bill is just immoral, indecent and obscene; but it is an election year. We should have expected that this would happen, and so we accept what the Republican leadership would want to do, and that is, to bring this to the floor at a time when our Nation is at war and certainly not demanding this.

Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. WAXMAN), chairman-to-be, one of the outstanding members of the House. He is not on the Committee on Ways and Means, but I assure my colleagues that what he has to say should be of great benefit, not only to this august body,

but to the people of the United States of America who are dedicated to winning this war against terrorism, but not at the expense of our commitment to the people of the United States.

Mr. WAXMAN. Mr. Speaker, I thank the gentleman very much for yielding the time to me.

Last fall, the House passed legislation that contained a $254 million tax break for Enron, and the public was so amazed that some people refused to believe what this House had done. Well, guess what? Today we are trying to do it again.

This legislation is even more generous to Enron executives than last year's retroactive repeal of the corporate alternative minimum tax. This bill would give tax breaks worth over $300 million to the estates of Enron executives. The same people that looted the company, deceived the public, cooked the books, and bankrupted thousands of employees are going to get hundreds of millions of dollars under today's legislation.

This bill is not about protecting family farms and small businesses. They are all well protected by the gentleman from North Dakota's (Mr. POMEROY) amendment. It is about doing favors for well-connected campaign contributors, like Enron CEO, Ken Lay.

The repeal of the estate tax made no sense last year when we had surpluses; but now we are facing mounting deficits, and it is an insane policy. The people who will pay for this tax break for the super-rich are working families. No matter what the Republicans say, there is only one source of money for a tax break of this magnitude, the Social Security trust fund.

Here is a picture, if I might show it to my colleagues, of one of the many major beneficiaries of this bill, Jeffrey Skilling. His estate will receive a $55 million tax break under this bill. As some analysts have calculated, this will be paid for by raiding the Social Security contributions of 30,000 American workers. No one can justify that policy.

Enron executives are not the only ones who make out like bandits under this bill. So does the Bush Cabinet. At the same time that President Bush is calling on the Nation to make shared sacrifices, he is pushing legislation that would give his estate and the estates of the wealthiest members of his cabinet $100 million or more in tax breaks.

□ 1330

That is not a cabinet that reflects American diversity. That is a cabinet that reflects American millionaires, and this bill will give them even more money.

Vice President CHENEY's family alone will make up to $40 million if this bill passes.

This is craziness. We are in a war, and we cannot afford to be giving money to the super rich at the expense of those who are working to pay for the costs of that tax break. And no one can justify giving Mr. Skilling a $55 million tax break or Mr. CHENEY a $40 million one. In fact, the Republicans ought to be too ashamed to even try.

Mr. DUNCAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we are here today to fulfill a pledge we made a year ago. The Congress succeeded last year in phasing out the death tax by 2010. Unfortunately, due to a quirk in budget rules on the other side of the Capitol, it will snap back to life January 1, 2011. We believe this is unfair and that it is unacceptable. It is bad tax policy and it must be changed.

It is important to recognize the lack of permanence has real consequences, Mr. Speaker, for small business owners and family farms. Without permanence, they will continue to have to spend thousands of dollars every single year to put together expensive estate plans and to purchase life insurance policies just to ensure that business can survive to the next generation.

The sudden reappearance of the death tax in 2011 creates the ridiculous situation where a person who dies on December 31, 2010 would not be subject to death taxes, but if he had lived one more day his heirs would be forced to pay death taxes of up to 55 percent.

The opponents of the repeal parade the same tired reasons for keeping the death tax. They say it only helps the super wealthy. Not true. According to the IRS, 85 percent of the estates that paid the tax in 1999, our most recent figures, were valued at between $2.5 million, and many of these were small businesses. Any capital-rich, cash-poor business, like a trucking company, for example, or a hardware store or construction company or a family-owned newspaper, would undoubtedly be valued at more than $2.5 million.

Why not simply provide a special exemption for small businesses and farms? We have already tried that, Mr. Speaker, and we have been shown that it does not work. The formula for applying the exemption is far too onerous and it is too complicated. It was so unworkable that the American Bar Association recommended that we repeal it because it was only taking into consideration between 1 and 3 percent of small businesses, small farms, and small estates. It did not work.

More importantly, a carve-out of that sort of exemption affirms the flawed notion that it is fair to tax somebody at the end of their life because they were successful. These are assets that already have been taxed once, and many times more than that.

Death tax repeal attracts support from both sides of the aisle and from a diverse group of interests. Conservation organizations, like the Nature Conservancy, support repeal because they are very worried about the forced sale of valuable property to developers. In one fell swoop a parcel of land that has been in the family for generations is sold simply to pay that death tax and must be paid in cash within 9 months of the death of the owner.

Minority business groups, like the Black Chamber of Commerce and the Hispanic Business Roundtable support repeal because they understand it takes more than one generation to build a business that will be in the family. Why should the death tax stand in the way of their attempt to realize the American Dream?

Women business owners support repeal. They are well aware of the threat the death tax poses to their hard work. According to one recent survey, 40 percent of women business owners claim that the death tax would force the sale of all or part of their businesses.

Opponents also claim that repealing the death tax will entrench our Nation's wealthy elite. They maintain that the tax represents the best intentions of meritocracy, in which citizens begin life without financial advantages. But their populist sentiments are simply misguided.

The death tax is an insult to hard-working Americans and it penalizes entrepreneurs for their successes. Mr. Speaker, we spend a huge amount of time and energy encouraging Americans to save for retirement, to save for the unexpected, to save for their children. We should not punish them at the end of their life for doing the right thing. The death tax has no moral, economic, or social justification and it should be repealed completely.

Mr. Speaker, I reserve the balance of my time.

Mr. MATSUI. Mr. Speaker, I ask unanimous consent to control the remainder of the time of the gentleman from New York (Mr. RANGEL).

The SPEAKER pro tempore (Mr. SIMPSON). Is there objection to the request of the gentleman from California?

There was no objection.

Mr. MATSUI. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from the State of California (Mr. STARK), a member of the Committee on Ways and Means.

(Mr. STARK asked and was given permission to revise and extend his remarks.)

Mr. STARK. Mr. Speaker, let us understand and cut through all this nonsense about small businesses and small farms. Many of us in this Congress pay a lot of income tax. I do. I have been very fortunate. My children will perhaps inherit from me when I pass on money in the amounts that they may have to pay in an estate tax.

But the fact is, and I am joined in this observation by the Buffet and the Gates families, who hardly can be called liberals, and who have a lot, lot more money than most of us in Congress, and they find it abhorrent that we should try and protect children and give children millions of dollars.

Now, no one is in any danger of losing a business, because the Code currently, first of all, allows people with small businesses that are privately

held to pass those on at a deep discount, sometimes 30 and 40 percent off their value because they are illiquid. Secondly, it gives 15 years at very low interest rates, even less than 6 percent, for these beneficiaries to pay off any estate tax.

So I have always said, and my children are getting a little sick of hearing me say it, that when I move on and they get a chance to inherit our family business, if they can get a business with about a 50 percent downpayment given to them free, and the other 50 percent that they only have to pay off over 15 years at less than 6 percent, if they cannot operate that business and make enough money to pay off their fair share of taxes, they are too dumb to get the business, and I did not do the right thing and their mother did not do the right thing in raising them.

So it is a matter of fairness. This is an attempt by the Republicans to create a nobility, a group of people who have never earned anything in this country, as most of my Republican colleagues on the Committee on Ways and Means have not. None of them ever had a business. They have either worked at the public trough all their lives or inherited a business. So when we hear about free enterprise and passing on businesses, they are really talking about pandering to the very rich, who they hope will contribute to keep them in office.

Let us get behind this. It is not to protect the family farms, it is not to protect the small businesses, it is there to protect a stream of campaign contributions from the very rich who will benefit most from this bill. I urge my colleagues to vote ''no.''

Mr. DUNCAN. Mr. Speaker, I yield myself such time as I may consume to remind the gentleman from California that the death tax extracts $4 billion from the State of California to the Federal Government, money that might be used to assist him in the problems in the State of California.

Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. WELDON), who is the author of the bill we debate today.

Mr. WELDON of Florida. Mr. Speaker, I thank the gentleman for yielding me this time.

Colleagues, let us remember what this debate is really all about. There are a lot of people who want to reopen the whole issue of the inheritance tax, but we already passed a phaseout of the inheritance tax in this body last year. I think it was fairly overwhelming, the vote, and I think a lot of Democrats voted for phasing out the inheritance tax. Because of a quirk in the rules in the other body, the inheritance tax is phased out and then in 2011 it comes back.

The reality is that for many people, small business owners in particular, and they are the group this tax most adversely affects, when they try to pass their small business to their heirs, 67 percent of them fail. And one of the biggest reasons they fail is because they get hit by this inheritance tax. They frequently have to lay off employees. And those people right now do not know what to do because the inheritance tax comes back in 2011. Many of them are maintaining elaborate estate plans specifically because of the feature in our bill.

This really does affect jobs. Most of the job growth in my district over the last 7½ years has been from small businesses. And the only way to deal with this is to get rid of that sunset provision. That is why I introduced this bill. An economic analysis has been done on this, and getting rid of this feature can add up to $150 billion to our economy over the next 10 years. It can affect 200,000 jobs.

I personally believe that if we leave these resources in the economy and create jobs out there, the Federal Government will actually take in more money, not less money, by getting rid of this very onerous tax.

The other thing I want to say is that these people have already paid their taxes. They paid their taxes all of their lives, they created jobs, and the people in those companies paid the Federal withholding, paid the FICA tax, yet after they are dead we would tax them again. It is wrong.

Mr. MATSUI. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from the State of Washington (Mr. MCDERMOTT), a member of the Committee on Ways and Means.

Mr. MCDERMOTT. Mr. Speaker, the chairman asked how did we get here. Well, actually, we got here by people in this country who led it who said this is the proper policy that we have, to have an estate tax.

Thomas Jefferson outlawed primogenitor and he did it in saying we are taking an axe to the foot of America's pseudoaristocracy. The decision was made in the very beginning that we did not want to have an aristocracy in this country.

Now, Theodore Roosevelt, who signed this into law, and I remind everyone here he was a Republican, said, ''The man of great wealth owes a particular obligation to the State because he derives special advantages from the mere existence of government.''

In this debate, in my State, Mr. Gates, Sr. spoke to the law school on this issue and he said this: ''One day a child was about to be born, and it was brought to God. And God said to the child, you are either going to be born in Zimbabwe or in the United States. You can choose. But when you die, I have many works and I need money. So if you go to the United States, you have to give half of it back when you die.'' Now what do you think the child would choose?

We live in the best country in the world, with the most opportunity, with the most freedom. And we have that because we give people a continuing chance. We do not allow the accumulation of aristocracy and wealth that we have had in Europe and other parts of the world. It was a decision at the very beginning. We did not want a king, we did not want lords and nobles and earls and so forth that could keep their lands forever.

That is why most of us are in this country, because we came from countries where we were serfs. Mine were Irish and they were German. Some were Polish, some were Italian, some were Japanese. All of them came here because of the opportunity. And when we start having an aristocracy that controls it all, we do real damage to America as we know it.

Now, even more important is what will happen to the giving, the charitable giving in this country. Seattle University had a consultant look at this issue and he said that more than half of the giving to the Seattle University will dry up if we get rid of the inheritance tax. Now, everybody said, of course, these people are going to pile it all up and they will give more. Come on. Why would my colleagues be pushing to get hold of it all if you were going to give more? You can give more now and actually deal within your taxes, but they are not.

This is a way of saying to everybody in this country we all have an opportunity. We all can do very well here. But when you die, you give back to the society that made it possible. Vote ''no'' on this bill.

Mr. DUNCAN. Mr. Speaker, I yield myself such time as I may consume to remind my colleague and good friend from Washington State that it was, in fact, Woodrow Wilson, a Democrat president, who in 1916 signed the death tax into law, not Teddy Roosevelt.

Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. SAM JOHNSON), who is a very strong member of the House Committee on Ways and Means and who is very involved in this debate.

(Mr. SAM JOHNSON of Texas asked and was given permission to revise and extend his remarks.)

Mr. SAM JOHNSON of Texas. Mr. Speaker, only in our government are you given a certificate at birth, a license at marriage, and a bill at death. It is tax, tax, tax. It is the grim reaper every day.

Death taxes can wipe out a lifetime of work. That is why this House should vote to end this unfair tax once and for all. Permanentize it.

For many small businesses, death taxes are a death sentence. We have already voted to repeal the tax, and I want to empower small business owners to go on making their businesses successful instead of planning for their own demise. But unlike a villain in a bad movie, this tax brings back to life in a few years the grim reaper.

□ 1345

Tax, tax, tax. This House did not pick up the rules that prevented permanent repeal of the death tax. Today we will overwhelmingly pass permanent repeal. Many of our Democrat colleagues are arguing for something less

than full repeal. Class warfare does not work on this issue. Americans strive to be successful, and when they share the fruits of their labor with their children, Americans support full repeal of the death tax. They do not want a toll booth on the road to meet their maker. Mr. Speaker, just as you cannot be a little bit dead, the death tax cannot be a little bit gone. Imposing taxes on the value of a lifetime of work is just plain wrong, and we must end this unfair tax permanently.

Mr. MATSUI. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from the State of Maryland (Mr. CARDIN), a member of the Committee on Ways and Means and the Subcommittee on Health.

Mr. CARDIN. Mr. Speaker, I thank the gentleman from California for yielding me the time.

Mr. Speaker, I rise in opposition to the legislation we are considering and in support of the Democratic substitute. Mr. Speaker, this is first a matter of fairness. Currently only 2 percent of estates are subject to estate taxes and of that only .3 percent to the family farms and family businesses. A very small number today are subjected to tax. Under the Democratic substitute 99.7 percent of all these estates will avoid any estate tax. This is not about family farms and family businesses. We all agree that they should be able to avoid the estate tax for a modest wealth upon death. What this is about is what Forbes Magazine said. The 400 richest families in America will avoid somewhere between 200 to $300 billion, that is billion dollars, in taxes under the bill. It is for the super-rich; it is not even for the rich.

The second is affordability. When this legislation passed last year, we had a $5.6 trillion projected surplus. Mr. Speaker, we are now projecting large deficits. We are in a war effort. We cannot afford the extra hundred billion dollars that this legislation will cost. There is a better alternative. The Democratic substitute, about 5 percent of that cost.

Yes, reform is needed. The Democratic substitute raises the unified credit to 3 million per individual, 6 million per family, takes care of the problems immediately, not 5 years from now or 10 years from now, but does it in a responsible, affordable and fair way.

Mr. Speaker, this is a matter about priorities. What are the priorities of this Congress? When the estate tax repeal is fully implemented, it costs about $75 billion a year or $750 billion over the next decade. That is $750 billion. That is what our Congressional Budget Office says. We are going to be debating prescription medicines for our seniors. That costs about $750 billion if you want a good plan. What is more important, a permanent repeal of the estate tax or helping our seniors with prescription medicines? Helping people with wealth over $6 million or helping seniors try to deal with the costs of their prescription medicines? At the same time that the estate tax repeal comes into full effect, we need the money for the baby boomers in the Social Security system. What is more important, the repeal of the estate tax for estates over $6 million or preserving our Social Security system for America's future? Mr. Speaker, this is a matter of priority. We cannot have everything. We have to make hard choices. This is the wrong decision. I urge my colleagues to reject the bill.

Ms. DUNN. Mr. Speaker, I remind the previous speaker, the gentleman from Maryland (Mr. CARDIN), that the State of Maryland sent $582 million to the Federal Government in payment that is not used in their own State.

Mr. Speaker, I yield 2 minutes to the gentleman from the State of Arizona (Mr. HAYWORTH), a very effective member of the Committee on Ways and Means.

Mr. HAYWORTH. Mr. Speaker, later today we will take a vote to make the death tax repeal permanent. It will be a bipartisan vote, despite some of the preceding rhetoric in the well of the House, and I do not want anyone to be deceived or misled.

One of the leading proponents of permanent death tax repeal in my State happened to be the standard bearer for the Democratic Party in 1994 for the office of Governor. He came to me and said, ''When are you going to repeal this death tax?'' The reason he did so was not because he fits into the realm of the super-rich. The reason he did so, he is an owner of grocery stores and he employs hundreds of Arizonians.

Mr. Speaker, people of goodwill can have a fundamental disagreement. Either we can come to this floor and attempt to demonize and drive wedges and claim that it is always us versus them, or we can understand some simple facts: keeping businesses in business makes good sense for America. More than 70 percent of family businesses do not survive to the second generation. Eighty-seven percent do not make it to the third generation. Sixty percent of small business owners report that they would create new jobs over the coming year if estate taxes are eliminated. We move to do that.

Now the question becomes are we willing to make this permanent to deal with the arcane rules from elsewhere on Capitol Hill to make this permanent for job creation. We all want to save Social Security. We want to have people paying payroll taxes. The best social program is a job. The best way to ensure that the backbone of America, small businesses, stay in business, is to ensure that family-owned businesses can continue to operate. That is why it is vital for all Americans, Republicans, Democrats, Libertarians, vegetarians, all Americans to have the chance to keep their business in the family. There should be no taxation without respiration. Let us keep business alive.

Mr. MATSUI. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. LEVIN), a distinguished member of the Committee on Ways and Means.

(Mr. LEVIN asked and was given permission to revise and extend his remarks.)

Mr. LEVIN. Mr. Speaker, this really is not about farmers and small businesses. The Pomeroy substitute addresses 99 percent who would be excluded from estate taxes. This is not about class warfare unless it is warfare on behalf of 1 percent of the very wealthy against 99 percent. It is not about a quirk in the bill last year. If we eliminate the sunset, essentially we are further sunsetting fiscal responsibility, a trillion dollars the second 10 years for a few thousand families.

We are not just mortgaging the future, we are throwing it away. We are throwing away the chance to address Social Security needs, Medicare needs. In a few words, this is not about death taxes; it is about deficits, more deficits, and more, more deficits.

There has been a reference here to supply-side economics. This is supply-side economics run amuck. Those who vote ''yes'' today will live to regret it, if not tomorrow, some years from now.

Mr. Speaker, I urge a ''no'' vote on the final vote, and ''yes'' on the substitute.

Ms. DUNN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I remind the gentleman from Michigan (Mr. LEVIN) that $711 million are taken from his State to give to the Federal Government as a result of the estate tax.

Mr. Speaker, I yield 2 minutes to the gentleman from Georgia (Mr. BISHOP).

Mr. BISHOP. Mr. Speaker, I rise today again to recognize the hard-working people of America who have played by the rules and have paid their fair share. Decent, law abiding, tax paying Americans are the backbone of this country, and they are the salt of the earth. They are the farmers of southwest Georgia, the family business owners across the country, from the Atlantic to the Pacific. All across this land are Americans who have paid taxes their entire lives, only to face the final taxing event at death. They paid their taxes during their lifetimes and should not be charged again because they happen to die.

The death tax represents all that is unfair and unjust about the tax structure in America because it undermines the life work and the life savings of Americans who want only to pass on to their children and grandchildren the fruits of their labor and the realization of their American dream.

And besides, it generates only 1.5 percent of our Nation's revenue. Farmers in my State of Georgia, many of whom are widowed women and the children of deceased farmers, are faced with losing their family farms because of this harsh tax. Employees of small and medium-sized family businesses, many of whom are minorities, are at risk of losing their jobs because their employers

are forced to pay the unfair, exorbitant death tax levied upon them. Funeral homes, newspaper publishers, radio station owners, garment manufacturers, grocery owners, and real estate owners are all affected, all across the demographic spectrum.

Mr. Speaker, although reasonable minds may differ on this issue, I believe that the death tax is politically misguided, morally unjustifiable, and downright un-American. Let us vote today to finally eliminate the death tax and return to the American people and their progeny the hard-earned fruits of their labor.

Mr. MATSUI. Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin (Mr. KLECZKA), a member of the Committee on Ways and Means.

Mr. KLECZKA. Mr. Speaker, let us put this debate into some perspective. First of all, we do not have a death tax in this country. Nowhere in the statute does it mention the word ''death tax.'' What we have and have had since 1916 is an inheritance tax paid to the government by the most wealthy.

Why do we have it? Well, to fund this government. To fund the military, to fund the expensive farm programs we passed 2 weeks ago, we need revenue. What the country decided long before I was in Congress was a tax code like a three-3-legged stool. One leg will be the income tax for which everybody pays. Then we have another leg for the business people, which is a business, or corporate tax, and the third is an inheritance tax. And that was fair.

What has happened since 1916, small businesses and farmers have flourished. Look just at the 1990s when the stock market went through the ceiling. The Gateses of the world were created.

But now we are being told by my Republican friends that the country is going to hell in a handbasket unless we repeal this tax. How does it affect Americans? Currently, 2 percent of the American public will pay it. In the gallery before me are about 100 people. Under this tax, two people will pay it.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. SIMPSON). The Chair would remind Members not to refer to people in the gallery.

Mr. KLECZKA. Mr. Speaker, two people sitting in the gallery will pay it. Well, how about the 98 other bodies in the gallery?

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The gentleman is again reminded not to refer to people in the gallery.

Mr. KLECZKA. Mr. Speaker, the fact of the matter is, 98 percent of those who might be in the gallery will pay the additional income taxes to make up for this loss.

Where are we as a country? Two years ago we were awash in surplus, and we were told by my Republican friends that as far as the eye can see, we will have surpluses. These same folks have tax-cutted this country back into a deficit. This year we are looking at a $300 billion deficit.

□ 1400

As we all know, this country is on a war footing, a war on terrorism. We just passed a bill last week for $29 billion for the military and other homeland security items. Is now the time to repeal the tax paid by the 2 percent wealthiest of this country? Should they not help us with the war effort?

They are the beneficiaries. Not you. The Cabinet of the current administration will see a windfall of millions of dollars if we take this bad action today.

I ask my colleagues to defeat this measure. Quit kidding the American people and saying that this applies to everyone. The fact is 2 percent.

Ms. DUNN. Mr. Speaker, I remind the gentleman from Wisconsin that his State sends $380 million to Washington, D.C.

Mr. Speaker, I yield 4 minutes to the gentleman from California (Mr. COX), a strong proponent of the repeal of the death tax over a period of years.

Mr. COX. Mr. Speaker, I have been waiting for this day since 1993 when I first introduced the bill to repeal the death tax. The following year by 1994, we had some 29 sponsors, over 100 sponsors in the next Congress, over 200 sponsors in the following Congress. Due to the efforts of the chairman of the Committee on Ways and Means, the gentlewoman from Washington (Ms. DUNN), the gentleman from Tennessee (Mr. TANNER), that bill was eventually signed into law.

Four times this House has voted to repeal the death tax. And for good reason. By the way, I refer to it as the death tax because that is in fact what it is called in the Internal Revenue Code. For example, in section 2014 and section 2015, you will see the words, unlike the comments of the preceding speaker, death tax. That is the proper name for this code because it is a tax that applies on death. Its purpose when it originally was put into place was to confiscate the wealth of the super rich. Much of the discussion today has been focused on the nobility of that cause, confiscating the wealth of the super rich. But we have now a century of experience and we know that it does not succeed, or come close to succeeding, in that effort. It does not break up concentrations of wealth. To the contrary, it is the engine for concentrations of wealth.

Ask yourself: How could it be after a century of experience with a tax such as this designed to break up great concentrations of wealth that the great-grandchildren of John D. Rockefeller could be themselves so wealthy, but the wealth of John D. Rockefeller is well known to all of us who work in this Congress, as is the wealth of Joe Kennedy, the wealth of a lot of people who are no longer with us, because the super rich can afford the lawyers, the trusts, the bollix accounting schemes that are needed to avoid this ultimately elective tax. For the super rich, they do not pay it.

Who does pay it? Those people who work in businesses that are too small to have enough cash to do the expensive tax planning. The compliance cost associated with this tax, according to the Joint Economic Committee, may be more than enough to eclipse all the revenue that it raises. So most of the figures that we are hearing about how much money this might bring to Washington are looking at only half the story. You have got to look at how much it costs us to squeeze that blood out of the turnip. Even more to the point, look who supports repeal of the death tax. The National Black Chamber of Commerce, the Black Women Enterprises, Hispanic Business Round Table, Latino Coalition. This is not a coalition of the super rich. To the contrary, this is working America.

The tax that you pay when you lose your job because the owner dies without an adequate estate plan is 100 percent. The low wage worker in a nonpublic company pays 100 percent when his or her job is liquidated. And most of the estates where there are significant collections for the Federal Government are thrown into litigation because there is always an argument about what the estate is worth. Therefore, it is an inordinately expensive tax to collect. Over 80 pages of the Internal Revenue Code have been repealed with our repeal of the death tax. It is the biggest blow we have struck for tax simplification thus far.

But now we have to make it permanent. I mentioned that this House has voted four times for repeal. I mentioned the President has signed it into law. But as a result of an anomaly in Senate rules, nothing that this House voted for, our repeal, which takes full effect 7 years from now, is undone after only 12 months. So if 7 years from now you or a member of your family or the owner of your business dies on December 31, there is no burdensome estate tax to deal with, no death tax forms to fill out. If the same person, you or the same person, dies the following morning, then 55 percent is the rate that applies. The full burden of the death tax, even before the stepdown in rates that will have taken place over the next 7 years, is revisited.

That is why the New York Times referred to the current situation as the Throw Momma From the Train Act because only in 2010 is there actual repeal and the full tax comes back the following year. Only if you support this anomaly that imposes compliance costs on everyone in America should you vote against permanency.

I say vote ''yes'' on making death tax repeal permanent. It is time to throw the death tax from the train.

Mr. MATSUI. Mr. Speaker, I yield 1½ minutes to the distinguished gentleman from South Carolina (Mr. SPRATT), the ranking Democrat on the Committee on the Budget.

Mr. SPRATT. Mr. Speaker, we all know the circumstances last year when we voted to repeal temporarily the estate tax. OMB was predicting a surplus

of $5.6 trillion over the next 10 years. Today that surplus is gone, vanished, thanks to tax cuts, terrorists and recession, and overestimation of the surplus in the first place.

This year we expect a budget in deficit by $314 billion, excluding Social Security. Over the next 10 years we expect that deficit to be $2.6 trillion. We will consume all of the Social Security surplus and all of the Medicare surplus if that is true.

Even last year, estate tax repeal had to be shoehorned into the budget to hold the tax cut to no more than $1.3 trillion. That is why there was a repeal one year, reinstatement the next year. Even this year those who favor repeal do not favor it until 2010, 2011. They are putting it off. And they are understating the cost because the near-term cost seems low, but look at this chart and you will see what the long-term cost is. The long-term revenue loss in the second decade of this century resulting from the repeal of the estate tax will be $1.1 trillion.

How much is $1.1 trillion? That is one-third of the cost, 40 percent of the cost of making Social Security solvent. That is enough to pay for a robust, full-fledged Medicare prescription drug package. That is the opportunity cost of what we are doing.

Last year you needed a shoehorn to get it into the budget. This year you will need a shovel. What you will do is dig a hole in the budget that is deeper than ever. You will put us back in structural deficit like never before.

This is ill-advised. Vote for the substitute. Exonerate those small businesses by voting for the substitute from any kind of estate tax and keep the budget intact.

Ms. DUNN. Mr. Speaker, I remind the gentleman who just completed his talk from South Carolina that $231 million goes from his State that could be used to cover health care coverage for small businesses.

Mr. Speaker, I yield 2 minutes to the gentleman from Nebraska (Mr. OSBORNE).

Mr. OSBORNE. Mr. Speaker, we hear over and over again how the repeal of the death tax is another tax break for the exceptionally wealthy. This does not reflect my personal experience. I have been privileged to know a few very wealthy people and at no time have I ever heard from any of those people any discussion about the death tax. The reason for this is that nearly all of them have foundations, they have trusts, they have offshore investments, and none of them will leave money to the government in the form of inheritance tax.

The segment of the population that is affected most by the death tax consists of those individuals who have a single fixed asset that has appreciated significantly over time. In my district, which is largely rural, many small businesses, ranches and farms fit in this category. The farmer who bought land at $100 an acre 40 years ago that is worth $2,500 an acre today and the rancher who purchased grazing land at $20 an acre 50 years ago that is currently valued at $300 an acre would be examples. Nearly all of the profits from those farms and ranches have been put back into the property. Most farmers and ranchers are land-rich but cash-poor.

Yesterday I spoke with a cattle feeder who bought cattle from 100 ranch families in the Sandhills of Nebraska. I asked him what his number one concern was. He said that it was the death tax. He said that six of those 100 ranches were sold last year because the heirs could not pay the death tax. Most of those farms and ranches are sold to wealthy absentee landlords.

Ted Turner is currently the largest landowner in Nebraska. Ted Turner's property will not be subject to inheritance tax upon his death. This process takes wealth and population from rural areas. Currently the death tax nets slightly more than 1 percent of total government tax revenue, yet it costs almost one-third of every dollar recovered just to collect the tax. The net effect to the economy is negative when one considers lost jobs, lost productivity and loss of local control of businesses, farms and ranches.

I urge permanent repeal of the death tax.

Mr. MATSUI. Mr. Speaker, I yield 1 minute to the gentleman from North Dakota (Mr. POMEROY), a member of the Committee on Ways and Means.

Mr. POMEROY. Mr. Speaker, life is full of choices. The choice before us involves repeal of the estate tax versus the choice of maintaining full benefit payments to the Social Security program.

There will be 78 million Americans that will turn 65 sometime in the next decade. At that point in time, their draw on Social Security will be profound. You can see Social Security revenues dropping dramatically as these 78 million leave the workforce. That same decade, however, if the majority plan passes, the costs explode on the lost revenue due to the estate tax. This X-marks-the-spot on this chart foretells fiscal disaster resulting in Social Security benefit cuts and payroll tax increases on our children.

We cannot just think about this in today's terms. We have to look long term. The long term is a fiscal catastrophe for our country, a tax obligation to our children and beneficiary cuts for Social Security recipients if we take the action urged by the majority.

Ms. DUNN. Mr. Speaker, I yield 3 minutes to the gentleman from Georgia (Mr. COLLINS).

Mr. COLLINS. I thank the gentlewoman for yielding me this time.

Mr. Speaker, it always interests me when I see people talk about the fact that we are going to have a lower income, a lower revenue based on certain tax policy that leaves money within the economy. What I keep wondering and hoping to hear, though, is how we are going to reduce the outgo. This town is not known for cutting spending, but that is the number one problem in this town is the appropriations, not the taxation.

Mr. Speaker, even during an economic slowdown, our Nation still has one of the most vibrant economies in the world. We have the highest GDP of any Nation and the engine of this economy is small and medium-sized family-owned businesses. These businesses employ more than half of the workers in this country, generate more than 50 percent of the GDP and are responsible for more than 30 percent of our exports. These small and medium-sized businesses are the driving force of America's economic power.

Yet throughout our excessive and complex tax system, we place every conceivable obstacle in their path toward success. In many cases, despite the best efforts of our government to hinder these economic drivers, they somehow manage through sweat, blood, tears and grit to succeed. However, there is a troubling statistic about these businesses, Mr. Speaker. Less than one-third of them survive after they are inherited by the second generation, and less than 15 percent make it into the third generation.

Mr. Speaker, can you guess the number one reason for the failure of these businesses? It is lack of capital. You can further guess that the main controlling factor that leads to the lack of capital is the death tax.

Mr. Speaker, most of the wealth in this Nation has been generated since World War II. Between now and the year 2040, it is estimated that American family-owned businesses will transfer more than $10 trillion of assets to their heirs. It was a wise decision for the President and this Congress to repeal this horrendous tax burden.

□ 1415

The only problem with the repeal is that it will sunset in the year 2011. This makes it impossible for businesses to plan for the transition of ownership from one family member to another.

In order for the temporary repeal to be effective, the owner would have to die in the year 2010. As a small businessman for 39 years, I have seen some pretty good business plans. But I have never seen one that had a vision in it that the owner must die at a certain time and date.

I urge my colleagues to support this measure and support the small and medium-sized businesses for which this Nation is the envy of by the rest of the industrialized world.

Mr. MATSUI. Mr. Speaker, I yield 1 minute to the distinguished gentleman from the State of California (Mr. FARR), a Member of the Committee on Appropriations.

(Mr. FARR of California asked and was given permission to revise and extend his remarks.)

Mr. FARR of California. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I think the debate here is one where the Republicans are trying to make it sound good, but if you implement the law, it feels really bad. Let me explain. The law that they implemented trickles down the inheritance tax until the year 2010, and then it sunsets and comes all the way back. So any of you who are trying to plan an estate, you have no idea what you are going to have to pay, particularly unless somebody dies in the year 2010.

Now they come in and say, well, let us just make it permanent. What they want to make permanent is obviously a very bad law, because the one thing they do not do is they do not step up the basis, and if you do not step up the basis, then the people who inherit that property when they have to sell it have to pay a humongous capital gains tax.

There is a better provision here, and it is the Pomeroy provision, and I hope everybody and the Republicans listen to it, because it does a better job. It makes it more effective. You will have a better repeal next year, in the year 2003, than you do under the Republican proposal, and it does have a step-up basis. It is so tax-smart that the tax attorneys will tell you that the Pomeroy substitute is better law. It is better law for tax planners, it is better law for people who have to pay inheritance tax, and it is better for those who have to inherit.

Ms. DUNN. Mr. Speaker, I will remind the gentleman from California that $4 billion goes from the State of California as a result of the death tax, dollars that could be used by small business people to increase employment.

Mr. Speaker, I yield 2 minutes to the gentlewoman from Wyoming (Mrs. CUBIN).

Mrs. CUBIN. Mr. Speaker, I thank the gentlewoman for yielding me time.

Mr. Speaker, I stand in very strong support of repealing permanently the death tax. I personally know ranchers and farmers in my great State of Wyoming who have had to liquidate, had to sell their property, in order to pay the death taxes on their property. These are sometimes fifth-generation families, where they have done nothing but ranch or farm for five generations, and that is all they ever wanted to do. Sometimes they will sell half of their ranch, but they still end up having to sell the whole thing, because they cannot make a living with only half of the property.

We are not talking about wealthy people here. We are talking about small businessmen. We are talking about people who feed this country. We simply cannot afford to have our food supply controlled by big insurance companies who are able to afford to buy the ranches in the first place and then pay taxes on them, insurance companies, people like Ted Turner.

We need to have middle class, hardworking farmers and ranchers that love the land, on the land, working the land. Unless we repeal the death tax, that concept will not survive in the United States of America.

According to the National Federation of Independent Businesses, one-third of small business owners will have to outright sell or liquidate their businesses to pay the death tax. Half of those will have to lay off 30 or more people. So it is not just farmers and ranchers that suffer from having to pay these exorbitant death taxes, it is small businesses all across this country.

We all know small businesses are the backbone of this country, and we need to protect them. We need to allow them to expand their businesses and create more jobs, instead of paying the money to the government to be spent on other things.

Mr. MATSUI. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from the State of Texas (Mr. DOGGETT), a member of the Committee on Ways and Means.

Mr. DOGGETT. Mr. Speaker, only one percent of all the estates in this country are assessed any estate tax. I have already voted to repeal the tax for most of those who are subject to it, and to do so immediately, not seven or ten years from now. But this vote today is a vote that is only the latest variation of the one-note symphony that is the Republican call for more and more tax breaks, each and every week, for the economic elite.

This bill is a key part of a $4 trillion package of tax breaks for the privileged few that they would saddle the rest of this country with paying for. This vote is more than a decision about the legacy of the heirs of Steve Forbes, Ken Lay and Ross Perot; it is a vote on the legacy for the future of America.

Today we are concerned with the Republican leaderships decision to, once again, never find a tax break for the wealthy that it does not like. They will indeed leave a lasting legacy. Yes, the heirs of Steve Forbes will get a windfall, but all the other children of America, they will get something also, a growing mountain of public debt, an undermined Social Security system, and a bleaker economic future.

Our children will inherit a shrinking pool of Federal funds to meet the expanding security needs our Nation now faces; and our children will be forced to pay higher taxes tomorrow because some were unwilling to pay their fair share today. While the Republican leadership is so greatly concerned about the legacy of the top one percent, I ask, what about the other 99 percent of America's children? What about their future and the fate of our country?

It was a Republican, Teddy Roosevelt, in 1906 who was among the first proponents of the tax that they propose to repeal today. He feared the power of an economic aristocracy that we see dominating America today. He feared ''inherited economic power'' and said that it was as inconsistent with the ideals of this generation in America as inherited political power was inconsistent with the ideals of the generation which established our government.

That concern is still true today. Would that we only had on this floor joining us one Teddy Roosevelt Republican who would stand up, in a bipartisan way, and express that concern about the future of American democracy and the future of our ability to meet our needs.

I will have to give them credit for one thing, that they call this the ''death tax,'' because if they are successful today, and if they are successful in implementing this entire $4 trillion tax package for the privileged elite of this country, it will be the death of Social Security and Medicare as we have known them for decades and upon which so many Americans vitally depend, because there is absolutely no way that we can fulfill our obligations under Social Security and Medicare and give the privileged elite of America a $4 trillion tax break.

Ms. DUNN. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. RYAN), one of the newer members of the Committee on Ways and Means.

Mr. RYAN of Wisconsin. Mr. Speaker, I thank the gentlewoman for yielding me time and for her leadership on eliminating the death tax. The gentlewoman from Washington (Ms. DUNN) has been a tireless leader in this effort.

What we are hearing today from the other side are two emotions: Fear and envy. Every issue that seems to come to the floor these days, they try to tap into the emotions of fear and envy, using bogus statistics like a $4 trillion tax cut, using these emotional attributes that the super rich are going to get away with murder.

Mr. Speaker, the super rich are going to stay rich even with the death tax in place. What happens with the death tax is we lose jobs in America. The greatest killer of the transfer of businesses from one generation to the next is the death tax.

Take into consideration what is going to happen on New Year's Day 2011 after New Year's Eve 2010 if this bill is not passed. On New Year's Eve, the estate tax on a small business or a family farm in value of $3 million will be zero. On New Year's Day, the next day, in 2011, that farmer, that small business person who may happen to pass away at 12:01 a.m. rather than 11:59 p.m. will have an $800,000 tax bill.

This is a killer of jobs. This is a killer of small businesses. More than 70 percent of family businesses do not survive the second generation, Mr. Speaker; 87 percent do not make it to the third generation. Sixty percent of small business owners report that they would create new jobs over the coming year if the estate taxes were eliminated.

This is about fairness, this is about doing the right thing, and it is about making sure that when you die, you do not visit the undertaker and the IRS

agent on the same day. This is an issue about fairness. This is an issue about jobs. We are trying to appeal to the emotions of hope and opportunity and fairness on this side of the aisle, not the emotions of fear, envy and hyperbole.

Mr. MATSUI. Mr. Speaker, I yield 15 seconds to the distinguished gentlewoman from Florida (Mrs. THURMAN), a member of the Committee on Ways and Means.

Mrs. THURMAN. Mr. Speaker, I just want to point out to the gentleman from Wisconsin that for 1999 tax returns under the IRS statistics of income, there would have been 790 people who ended up paying the estate tax. Under the Pomeroy-Thurman amendment, there would be 50. By the way, that would be January 1, 2003, not 2010.

Mr. MATSUI. Mr. Speaker, I yield 1 minute to the gentlewoman from Ohio (Ms. KAPTUR), a member of the Committee on Appropriations.

Ms. KAPTUR. Mr. Speaker, this chart shows how much money Republicans have already raided from the Social Security trust fund this year. Was the trust fund not supposed to be in a lockbox and off limits to tampering? Well, they have raided it to the tune of over $207 billion as of the first week of this June.

In 1935, not one single Republican on the Committee on Ways and Means voted for the original Social Security Act. They have always had a problem believing in it.

Now they are raiding Social Security to pay for their tax cuts for the super rich, both living and dead! So long as they do, I will be here on this floor clocking their raid from the Social Security Trust Fund with this Debt Clock. I will be here to tell the truth to the American people. And that truth is that Democrats will fight to save your Social Security. For us, it is a compact of trust between generations for all Americans, senior citizens and disabled, not just the super rich.

Ms. DUNN. Mr. Speaker, I reserve the balance of my time.

Mr. MATSUI. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from the State of Indiana (Mr. ROEMER), a member of the Committee on Education and the Workforce.

(Mr. ROEMER asked and was given permission to revise and extend his remarks.)

Mr. ROEMER. Mr. Speaker, I rise in strong support of repealing the death tax. I think that we need to make sure that the hard-working Americans in this country get tax relief. They work hard, they sweat hard, and they need to pass on money back to their families and their children.

But the question today is do you repeal the death tax for the person that has made $500 million or $50 billion, or do you repeal it for everybody that has made up to $6 million, as the Democratic substitute does, for that hard-working family in my State of Indiana who has saved money year after year for their children and want to pass on $500,000 to their kids? We do not tax a penny of that for the farmer in Indiana that has seen their acreage grow in value and their farm grow to $5 million in value. We do not tax a penny of that. For the small business person who has grown their grocery store to $4 million in value, we do not tax a penny of that.

□ 1430

But now it comes down to what Theodore Roosevelt talked about in 1906 when he spoke of a progressive inheritance tax on ''fortunes swollen beyond all healthy limits,'' and he talked about the Vanderbilts or Rockefellers at 60 and $100 million dollars. Now we have families at $10 billion. Should they not have to pay any kind of tax when passing on their inheritance to their children when somebody out there working every day and making $50,000 a year has to pay a 15 percent rate on their taxes?

Mr. Speaker, let us make sure that we are fair in the American tradition, that we are fair when we are at war, that we are fair when States and the Federal Government have huge deficits in our tax structure.

Mr. MATSUI. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I would just have to say in conclusion here on general debate that if the Pomeroy-Thurman bill, which will be offered as a Democratic substitute, became law, it would actually create a situation where only 10,000 estates in the entire country, 10,000 estates of 260 million people, would be taxed. So we are basically talking about, in the Republican bill, 10,000 individuals or 10,000 estates that we are talking about. That is what the tragedy of this debate is.

I have frankly never, in my entire 23 years in this institution, seen a larger transfer of wealth than on the floor of the House of Representatives today. The reason for this is we have no surplus. The $5.6 trillion surplus is zero. It is gone. It is totally eliminated. As a result of that, whatever we use to pay for this estate tax repeal will come out of the payroll taxes of the average American, the 6.2 percent payroll tax that every American pays.

We calculated this. In order to pay $103 billion a year, which it is over a 10-year period once it is fully in effect, the estate tax relief, we are talking about 55 million Americans that are making $30,000 a year, 55 million Americans, their FICA tax that they think is going into the Social Security trust fund, that money is actually going to pay some of the richest Americans and their estates in this country. It is a huge transfer of wealth that we are talking about. It is unconscionable.

Mr. Speaker, it would be my hope that my colleagues on both sides of the aisle would see this for what it is: a transfer of wealth from the middle class, from the suburban Americans, to the very wealthiest of Americans.

Mr. Speaker, I urge a ''no'' vote on this and a vote in favor of the Pomeroy-Thurman substitute.

Ms. DUNN. Mr. Speaker, I yield the remainder of our time to the gentleman from Oklahoma (Mr. WATTS), our conference chairman.

Mr. WATTS of Oklahoma. Mr. Speaker, I appreciate the gentlewoman from Washington yielding me time.

Mr. Speaker, this has almost been a hilarious debate. What I have heard here over the last hour or so, the debate that I heard, is that it is okay to be unfair to certain people. If we have the death tax that is going to affect 2 percent of the people and we have 1,000 people that are affected by the death tax, we are only going to be unfair to 20, so it should not be any big deal. It is okay for the government to be unfair to someone, as long as it is certain people that we are being unfair with.

I do not think the government should make those kinds of decisions. I am somewhat baffled by that, that we would say, let us just be unfair to these few people right here. Why should we repeal the death tax? This is about fairness. It is about being fair with the American taxpayers.

I want Members to look at the diverse group of organizations supporting permanent appeal: the National Black Chamber of Commerce. Why does the National Black Chamber of Commerce support repealing the death tax? Because in the black community, it takes sometimes three to four generations to create wealth, and then the owner of that business, the owner of that farm, dies and then they lose the farm. They lose the business.

The Hispanic Business Roundtable, the National Federation of Independent Businesses, the National Indian Business Association, the National Association of Counties, the Latino Coalition, the National Association of Women Business Owners. Why do they support repealing this unfair tax? Because they do not think that we should live 50 years, 55 years, get taxed, then die and then get taxed again. They think it is unfair.

Repeal the death tax. The economic advantages of doing this: it adds as much as $150 billion over the next 10 years to the economy. That is $15 billion per year. That creates a lot of jobs, and it puts money back into the economy. It adds as many as 200,000 jobs per year. It increases household savings due to lower prices by $800 to $3,000 per year in savings.

We need to repeal this tax. There is double-dipping going on right now. Under the current system, under the death tax, we are taxed once and then again we die and are taxed again. That is double-dipping.

As I have heard my colleague, the gentlewoman from Washington (Ms. DUNN), say, she has said her friends on the Democratic side, they are concerned about helping the rich, helping Bill Gates. Mr. Speaker, if Bill Gates dies, and she might have mentioned to us, reminded us of this today, if Bill Gates dies, this is not going to help Bill Gates because he is dead.

It is the American way to say hopefully some day we can leave something for our kids and grandkids. If one owns one McDonald's franchise or 50, it is not the government's money, it is our money. Let us repeal this unfair death tax. Let us put it to rest and bury it once and for all. Vote ''yes'' on this legislation.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise to oppose the adoption of H.R. 2143. At a time when the country's economic power is waning and the deficit is burgeoning the country does not need a major loss of revenue. The Budget Committee staff now estimates that this year's deficit, excluding the Social Security trust fund surplus, will be $314 billion. Over the next 10 years, deficit, excluding the Social Security trust fund surplus, will be $314 billion. Over the next 10 years, the non-Social Security deficit will total $2.6 trillion.

Examining this chart on the cost of the repeal of the estate tax, one can see the sharp rise in loss revenue. In 2010 the revenue loss takes a vertical rise to over $55 billion in 2012, the first year in which the estate tax repeal would have full effect. The budget is on a course that will consume both the entire Social Security surplus and the entire Medicare surplus between now and 2012. The revenue impact of making the estate tax repeal permanent would total $109 billion over 2003–2012, and then soar to $1.033 trillion over the following decade.

The Center on Budget and Policy Priorities conducted an analysis of the estate tax repeal. Only 2 percent of the estate in the United States are subject to an estate tax. Of the estates subject to the tax very few include family-owned farms or businesses. The Democratic alternative to the Republican estate tax repeal extension bill offers immediate and permanent estate tax relief beginning on January 1, 2003, by increasing the exemption to $3 million for individuals and to $6 million for couples. Full repeal of the estate tax would be effective for people who die in calendar year 2009 and years after that. Moreover, the cost of repealing the state tax will not be fully felt until after the 10-year period covered by the revenue estimate by the Republican repeal.

Under the current provisions of the Federal estate tax, estate taxes levied by States generally do not impose any additional burden on estates. Repeal of the estate tax would provide massive benefits solely to the wealthiest and highest-income taxpayers in America. Subsequently, the Federal revenue loss would be about $60 billion a year when the repeal is fully in effect a decade from now and States around the country would lose another $9 billion in estate tax revenues.

The estate tax is an integral part of our tax system. If it is repealed, large amounts of income, unrealized capital gains income of very high-income taxpayers, would never be taxed at all. Repealing the state tax would open up new loopholes that would encourage many new schemes for income tax avoidance. Research suggests that repeal of the estate tax would cause a significant decline in charitable giving. In short, there is little reason to repeal the estate tax, and many reasons to retain it. The economy will eventually crumble due to the overwhelming debt the Nation will incur due to the repeal of the estate tax. Say no to H.R. 2143.

Mr. JONES of North Carolina. Mr. Speaker, there is a saying that only in America can an individual be given a certificate at birth, a license at marriage, and a bill at death. Americans should not have to visit the undertaker and the IRS on the same day.

Unfortunately, small businesses and family farms, like those in eastern North Carolina, are particularly vulnerable to the death tax. At the time of their death, Americans are taxed on the value of their property, often at rates as high as 55 percent.

Mr. Speaker, this places a tremendous burden on families who are already grieving the loss of a loved one. While small businesses and family farms are typically rich in assets, they often do not have the liquid resources to settle this size of bill with the Federal Government.

Too often, they are forced to sell some or all of their land or business, which often serves as their family's livelihood. Over the years, the death tax has devastated family-owned businesses throughout our Nation's towns and cities. Today, less than half of family businesses are able to survive the death of a founder.

What could be more un-American? Under current law, 70 percent of family businesses do not survive the second generation and 87 percent do not make it to the third generation. The death tax discourages savings and investment, and punishes those Americans who work hard throughout their lives to pass on something to their children.

Mr. Speaker, the estate tax does not serve as a significant source of revenue for the Federal Government. The Treasury Department reported that in 1998, the estate and gift tax raised only $24.6 billion, which amounts to only 1.3 percent of total Federal revenues.

In addition, economic studies conducted by former Secretary of the Treasury Lawrence Summers show that for every dollar in transfer taxes taken at death, $33 in capital formation is lost from the economy. Despite its little value to the government, the death tax undermines the idea that hard work and fiscal responsibility will be rewarded.

Thankfully, this Congress provided a phase-out of the estate tax beginning in 2002 by eliminating the 5 percent surtax and the rates in excess of 50 percent and increases the exemption to $1 million. Today, we need to take steps to ensure this phase-out is permanent and does not sunset in 2011. If H.R. 2143 is not signed into law, the death tax will reappear, almost overnight on New Year's Eve, 2011.

Mr. Speaker, this Congress has done an admirable job of guaranteeing tax relief for every working American. Let's pass this bill now and finish the job we started when we took back the people's House in 1995.

Mr. UDALL of Colorado. Mr. Speaker, I support reform of the estate tax—that is why I voted for the substitute.

But I do not support repeal of the estate tax—and so I cannot vote for this bill as it stands.

For me, this is not a partisan issue. Instead, it is an issue of reasonableness, fairness, and fiscal responsibility.

While I did not vote for last year's bill that included changes in the estate tax, there were parts of that bill that I think should be made permanent. That is why I am cosponsoring the bill to make permanent the elimination of the ''marriage penalty'' and why this week I voted to make permanent the provisions of last year's bill related to the adoption credit and the exclusion from tax of restitution to Holocaust survivors.

And, as I said, I support reform of the estate tax. I definitely think we should act to make it easier for people to pass their estates—including lands and businesses—on to future generations. This is important for the whole country, of course, but it is particular important for Coloradans who want to keep ranch lands in open, undeveloped condition by reducing the pressure to sell them to pay estate taxes.

Since I have been in Congress, I have been working toward that goal. I am convinced that it is something that can be achieved—but it should be done in a reasonable, fiscally responsible way and in a way that deserves broad bipartisan support.

That means it should be done in a better way than by enacting this bill, and the substitute would have done that.

That alternative would have provided real, effective relief without the excesses of the Republican bill. It would have raised the estate tax's special exclusion to $3 million for each and every person's estate—meaning to $6 million for a couple—and would have done so immediately.

So, under that alternative, a married couple—including but not limited to the owners of a ranch or small business—with an estate worth up to $6 million could pass it on intact with no estate tax whatsoever.

And since under the alternative that permanent change would take effect on January 1 of next year—not in 2011, like the bill before us—it clearly would be much more helpful to everyone who might be affected by the estate tax.

At the same time, the alternative was much more fiscally responsible. It would not run the same risks of weakening our ability to do what is needed to maintain and strengthen Social Security and Medicare, provide a prescription drug benefit for seniors, invest in our schools and communities, and pay down the public debt.

The tax bill signed into law last year included complete repeal of the estate tax for only one year, 2010, but contains language that sunsets all of the tax cuts, including changes in the estate tax after 2001. This bill would exempt repeal of the estate tax from the general sunset provisions. It would reduce federal revenues by $109 billion between 2002 and 2012, $99 billion in lost revenue and $10 billion in interest charges, and more than $1.2 trillion in the decade between 2013 and 2022—the time when the baby boomers will be retiring.

But, as we all know, the budget outlook has changed dramatically since last year. In the last year, $4 trillion of surpluses projected over the next 10 years have disappeared—because of the combination of the recession, the cost of fighting terrorism and paying for homeland defense, and the enactment of last year's tax legislation. And now the proposal is to make the budgetary outlook even more difficult, making it that much harder to meet our national commitments—all in order to provide a tax break for less than 0.4 percent of all estates. I do not think this is responsible, and I cannot support it.

And, as if that were not bad enough, this bill does nothing to correct one of the worst aspects of the estate-tax provisions in last year's bill—the hidden tax increases on estates whose value has increased by more than $1.3

million, beginning in 2010, due to the capital gains tax.

Currently, once an asset, such as a farm or business, has gone through an estate, whether any estate tax is paid or not, the value to the heirs is ''stepped up'' for future capital gains tax calculations. However, last year's bill—now enacted into law—provides for replacing this with a ''carryover basis'' system in which the original value is the basis when heirs dispose of inherited assets. That means they will have to comply with new record keeping requirements, and most small businesses will end up paying more in taxes. That cries out for reform, but this bill does not provide it.

Mr. Speaker, I am very disappointed with the evident determination of the Republican leadership to insist on bringing this bill forward. Just as they did last year, they have rejected any attempt to shape a bill that could be supported by all Members.

Since I was first elected, I have sought to work with our colleagues on both sides of the aisle on this issue to achieve realistic and responsible reform of the estate tax. But this bill does not meet that test, and I cannot support it.

Mr. MOORE. Mr. Speaker, I rise in opposition to H.R. 2143, Permanent Death Tax Repeal Act and the Democratic substitute.

I have long been a supporter of providing estate tax relief to American families, small business owners, and farmers who have worked their entire lives to transfer a portion of their estates upon their death. I have also been an advocate, however, for ensuring that we transfer to our children and grandchildren a healthy economy and a government that maintains its commitment to Social Security and Medicare.

In the last Congress, I voted to repeal the estate tax and later voted to override President Clinton's veto of that legislation, Again, in the 107th Congress, I voted to repeal the estate tax as a stand-alone measure and later voted for President Bush's $1.35 trillion tax cut, which contained a provision to phase out and ultimately repeal the estate tax.

When I voted for the president's tax bill last year, I did so with his assurance that we would have the money to pay for it without dipping into the Social Security surplus. Unfortunately, due to the recession and the war on terrorism, the budget surpluses projected last year did not materialize and we are now borrowing money from Social Security Trust Funds to pay for even our most basis needs, including the war on terrorism.

While I agree that we should fix provisions of last year's tax cut to increase certainty in the Tax Code that will help people plan for their financial future, we should also make sure that we are not borrowing money—particularly from the Social Security trust funds—to pay for these cuts while we are simultaneously trying to enhance our national security needs. We should also ensure that we aren't raising other taxes to pay for provisions that are, quite frankly, political in nature and have nothing to do with ensuring that the estate tax burden is reduced on our small businesses and farms.

For example, Mr. Speaker, the underlying bill contains a hidden tax on all decedents. By fully repealing the estate tax, this bill would have the effect of repealing a provision in the Code, referred to as the ''step up in basis,'' that protects heirs from paying capital gains on estates.

Anyone who has ever sold a ''capital'' assets, such as real estate, stocks, bonds, mutual funds, know that cost basis in what the gain or loss on the sales price is measured against. Generally speaking, cost basis is the purchase price of property subject to certain adjustments upward or downward. For example, if property was purchased in 1950 at a cost of $10,000 and sold in 2001 at $100,000, an individual would have a taxable capital gain of $90,000. The step-up basis interacts with estates such that when this property passes by reason of death, the heir inherits the asset with a new cost basis equivalent to the market value of the asset on the date of the benefactor's death. Taking the example above, if the property were transferred in 2001 at a value of $100,000 and the heir sold the property in 2006 for $120,000, the heir would only have a taxable capital gains of $20,000 instead of $110,000.

Should this bill become law, an owner of farmland, stocks, mutual funds, or even a personal residence would have lost the opportunity to pass the asset to the next generation without passing along the owner's cost basis, thus reducing the future capital gains bill that will have to be paid when the heirs sell the asset. In short, this amounts to a tax increase on all estates due simply to the increased cost basis of the estate.

Furthermore, I will also oppose the Democratic substitute to this bill. While I believe that the relief provided in this substitute—relief that is substantial and immediate—is important, like the majority plan the Democratic substitute also has a negative budgetary effect.

The Democratic substitute, in an effort to seek out ways to pay for its provisions, would raise taxes on some individuals by reinstating the 5 percent surcharge on highly-valued estates that I voted to repeal last year. That's not fair.

Mr. Speaker, the best alternative here today is to support the motion to recommit, which states that we should not fund the permanent repeal of the estate tax with Social Security surplus dollars. The motion to recommit will allow the estate tax repeal to take effect—which will not become an issue for over nine years—if we are able to afford it without deficit spending and using Social Security surplus dollars.

Again I have supported previous efforts to provide estate tax relief because, in the past, we have been able to afford it. I am concerned, however, that the total costs of these bills will continue to drive our nation into debt, and reduce our ability to deal with the long-term challenges facing Social Security and Medicare. Until we deal with the long term financial problems facing Social Security, we need to be very careful about any tax or spending bills that would place a greater burden on the budget in the next decade, effectively transferring these costs and burdens to our children and grandchildren.

Ms. KILPATRICK. Mr. Speaker, I rise today in opposition to H.R. 2143, which would permanently repeal the estate tax in FY 2011. The bill, if passed, will prove to be fiscally irresponsible in the short-and long-term. In reference to the short-term irresponsibility, the bill would immediately bring more wealth to the wealthy. This particular tax is one of the only ways for the Federal Government to tax on accumulated wealth. Each year, it raises a large sum of money for the government without affecting 98 percent of its citizens—only the wealthiest 2 percent are taxed. By eliminating the estate tax, we not only fill the pockets of the wealthy, but we take away the portion of federal revenue that readily assists the government in funding other efforts, such as the war on terrorism, education, Social Security, and Medicare.

My colleagues on the other side of the aisle claim that we need to immediately help the small businesses and farmers sustain their livelihoods by eliminating the estate tax. Well, Mr. Speaker, contrary to the majority's belief, the repeal of the estate tax is not needed to protect the small businesses and farms. A Treasury Department study found that estates, which comprised of small businesses or farms, paid less than 1 percent of estate taxes in total. Additionally, the estate tax currently offers breaks for estates with small businesses and farms. Modifying the estate tax can help the small number of estates that will possibly be affected by the estate tax, but repealing it would only do harm.

The long-term effects of the estate tax repeal are disastrous. Permanent repeal would cost the Federal Government over $50 billion of revenue in 2012 alone. This can be a huge blow for our economy in years to come, especially considering the estimated 75 million baby boomers that are due to retire in 2011 and 2012. Social Security, Medicare, and Medicaid will be negatively affected by a repeal and working Americans will be expected to pay for it with an increased tax burden.

H.R. 2143 is not a good bill for our Nation in the short-term or long-term. However, the Democratic substitute offered by my esteemed colleagues, Representative POMEROY and Representative THURMAN, is more fitting considering America's state and the future fiscal status. The substitute would increase the tax credit to $3 million for individuals and $6 million for couples starting immediately in January 1, 2003. By raising the tax credit level to that amount, 00.6 percent of the small businesses and farms will be exempt for the estate tax starting in January 2003. The substitute will also freeze the maximum estate tax at 50 percent, the current rate, and reinstates the 5-percent surtax for the estates that soar past a total value of $10 million. One of the most important aspects of this bill is that it will only cost $5.3 billion in 2012, a grave difference from the majority's bill.

While we attempt to rectify tax burdens, we need to be on alert of the short-term and long-term consequences of our actions. To be extreme in our attempts to fix the estate tax without thinking it through intelligently can ultimately draw the blueprint for our nation's demise. I cannot be a part of that effort. For that reason, Mr. Speaker, I am standing in strong opposition to the passage of H.R. 2143 and in full support of the Democratic substitute.

Mr. BLUMENAUER. Mr. Speaker, this Congress should delay any further tax cuts until we establish a budget that allows us to recognize current fiscal realities while we: ensure our security at home and abroad; meet our domestic priorities; and fulfill our Social Security and Medicare commitments.

That said, this is a frustrating process for me. I have advocated reform of the estate tax since, as a state legislator, I worked with the late Representative Mary Rieke to fix Oregon's

tax. There is no reason we cannot reform the existing system to be more equitable and protect closely held businesses.

Again, the Republican leadership chose to play politics rather than make the system better. Instead of adopting immediate and much greater permanent relief now, the choice was to make most people pay more tax for 9 years, be subject to a capital gains tax and onerous recordkeeping, and trust that the ever-larger deficit doesn't unravel the whole program.

I voted for the Democratic substitute, which would have given more relief, sooner to 99.6 percent of estates.

I hope that we will someday stop playing politics to fashion a bipartisan solution that works and is fiscally responsible.

Mrs. JONES of Ohio. Mr. Speaker, I rise today in support of the Democratic substitute to reform the estate tax. I say ''reform'' as opposed to ''repeal'' because there is a difference in the two ideas. The Democratic substitute would help individuals and small businesses in a variety of ways while still preserving the Social Security Trust Funds.

The Democratic substitute would increase the estate tax exclusion to $3 million, effective January 2003. The substitute would also place limits on corporations to prevent incorporations in tax havens that avoid taxation. It would also place limits on corporate tax shelters.

Last year's tax cut lowered the top estate tax rate to 45 percent by 2007, increased the estate tax exemption to $3.5 million—$7 million for a couple—by 2009 and repealed the estate tax altogether in 2010. Like the other tax provisions, the estate tax repeal is set to expire at the end of 2010. At that time, the estate tax reverts to what it was before, with an exemption of $1 million and a top rate of 55 percent.

In the past year, budget projections have deteriorated. The Congressional Budget Office has estimated that the projected budget surplus for the years 2002 through 2011 has declined by 3.9 trillion dollars over the past year. Outside Social Security, the budget is estimated to be at a deficit through 2009.

The most significant effect of eliminating rather than reforming the estate tax would come in the years beyond the current ten-year budget window, when the baby boom generation begins to retire and the Social Security and Medicare systems come under increasing pressure. Permanent repeal would lose approximately $740 billion in revenue.

What does this mean for the Treasury?

Well, there is something out of balance. Recently, the Administration sought to reduce the availability of student loans at the same time as it is seeking estate tax reductions for the highest-level millionaires . . . at the same time that the ranks of people without health insurance are growing . . . at the same time that seniors are without a prescription drug benefit.

Repealing the estate tax in its entirety makes it impossible to strengthen Social Security without raising other taxes. Fewer than 5000 of the wealthiest people, with estates valued at more than $6 million will be helped—at the expense of 53 million who will need to rely on Social Security benefits in 2011 and later.

In comparison, the Democratic substitute would lower or eliminate estate taxes for 99.7 percent for all Americans beginning in January 2003. No individuals with estates worth less than $3 million or $6 million for a couple will pay any estate tax under the Democratic substitute. 99 percent of farms would pay no estate tax. Unlike the Republican bill, the Democratic substitute repeals the capital gains tax on increases in the value of property.

In short, the Democratic reform of the estate tax would benefit 99.6 percent of decedents. This is a better choice for Americans, and it is a fairer reform by far.

I urge my colleagues to reject the underlying bill, and vote for the much fairer Democratic substitute.

Mr. SMITH of Washington. Mr. Speaker, fiscal responsibility must be a guiding principle of our government. My constituents have told me again and again that government must live within its means and balance the budget. I agree and have consistently fought for more fiscal discipline.

That is why I am voting against permanent repeal of the estate tax. I have always supported estate tax cuts—I authored legislation to completely eliminate the estate tax for all family farms and businesses, and have consistently voted to cut and even eliminate it altogether in years past.

However, this vote today is simply another step down the path of fiscal irresponsibility. In the past year and a half, our economy has been in recession and was further damaged by the terrorist attacks surrounding September 11. Instead of responding with tough choices and fiscal discipline, however, Congress and the Administration have responded by passing a $15 billion airline bailout bill, a $30 billion supplemental appropriations bill, a very wasteful and bloated farm bill, and a tax cut that will cost $2 trillion over the next ten years. Even though I voted against these things, the truth is that they have all been signed into law by the President or will be very soon, and so their fiscal impact is now a reality and must be taken into account.

There has been no serious effort by Congressional Leaders or the White House to design and implement a bipartisan balanced budget plan. The result has been a staggering reversal from the once-large budget surplus projections to large budget deficit projections. Budget deficits mean we use Social Security and Medicare revenues from other programs, putting us in a terrible position to deal with the entitlement crises that are coming in a decade due to demographic changes and the escalating costs of health care. We are falling further and further into debt, and interest payments on that debt will eat up an increasingly large share of taxpayer dollars—currently about 12 cents of each tax dollar.

We're moving in the wrong direction, and I cannot vote for legislation that will have such a large fiscal impact on our budget without a corresponding plan to return to fiscal discipline and get our budget balanced again within the next few years. Let me be clear: if the permanent repeal of the estate tax were part of a long-term balanced budget strategy, I would support it. Unfortunately, in this context, it is one more example of Congress and the Administration's lack of fiscal responsibility, and I cannot support it at this time.

Mr. STARK. Mr. Speaker, I rise today in strong opposition to H.R. 2143, a bill to make repeal of the estate tax permanent. House Republicans need to wake up to reality. Our budget is in deficit, our security is in shambles, and our people, specifically our seniors and the poor, are suffering. Facing these astronomical problems, what do the Republicans want to do? Give more money to the rich! It's truly astonishing. The Republicans are so beholden to the wealthy that they either don't see or are willing to ignore the real problems our country faces. I say to my Republican colleagues, wake up! The rich are doing just fine. They don't need any more government handouts.

There are several more important priorities where we could invest this money. I'd like to concentrate on just one: America's seniors.

Today's bill sends the message to our seniors that a Medicare prescription drug benefit isn't nearly as important as securing tax-free estates for the wealthiest one percent of taxpayers. There are 40 million Medicare beneficiaries—virtually all of whom need help with their prescription drug costs. In contrast, repeal of the estate tax will only help the wealthiest one percent of descendants, or around 23,000 estates per year. At a time when we have scarce Federal resources, are we going to help 40 million elderly and disabled individuals who depend on Medicare or are we going to help the richest families in our Nation who are affiliated with those 23,000 estates? My priority is to help the 40 million seniors.

A May 2002 poll by NPR, Kaiser Family Foundation, and the Kennedy School of Government found that 64% of people would support rolling back the tax cut that Congress passed last year to provide a Medicare prescription drug benefit for seniors. Only 25% opposed this idea. I'm certain most of these people would also oppose spending $56 billion more per year on a small handful of wealthy taxpayers.

This bill is another Republican gift to the rich people who fill their campaign coffers. Meanwhile, the seniors, the poor, and the uninsured are left out in the cold. I urge my colleagues to vote no on H.R. 2143. It's time to get our priorities straight.

Ms. LEE. Mr. Speaker, I rise today in strong opposition to yet another irresponsible tax bill, which raids Social Security and Medicare. The cost of the phaseout and ultimate repeal of the estate tax is much more than billions of future tax dollars. The purpose of the estate tax is to mitigate the accumulation of wealth by family lineage. Democracy needs an estate tax to make a fairer society in which future generations all start with more or less the same opportunities. Most of the benefits of estate tax repeal go to the wealthiest one percent of descendants, with only 1.9% of estates actually paying the estate tax, according to the Internal Revenue Services. Can we really afford a $60 billion a year gift to multi-millionaires?

At the expense of this ''gift'' is Social Security, Medicare, Education, and Homeland Security. By making tax cuts permanent, H.R. 2143 would reduce revenues by about $4 trillion, resulting in ''raids'' on the Social Security trust fund and taking away resources for a Medicare prescription drug benefit. This new bill clearly ignores budget reality, just like its predecessor H.R. 586.

Taxing dead multi-millionaires is eminently more fair than taxing the not-so-rich living. The intergenerational transfer of wealth is projected to reach between $41 trillion and $136 trillion, and the estate tax should remain in place as an increasingly significant progressive source of revenue in the coming decades.

Permanent repeal of the estate tax has significant long-term cost, yet would benefit only a few, very large estates. Without the estate tax, the tax burden is more squarely placed on middle and low income workers. Estate tax reform offers a more sustainable approach than repeal. I urge Congress to explore the possibility of linking estate tax revenue to the Social Security trust fund. Congress should then reject the notion of wholesale repeal because it is simply another tax bill that benefits only the wealthiest of this country.

Mr. BEREUTER. Mr. Speaker, as stated on the record many times, this Member continues his strong opposition to the total elimination of the estate tax on the super-rich. The reasons for this Member's opposition to this terrible idea have been publicly explained on numerous occasions, including past statements in the CONGRESSIONAL RECORD.

This Member has every expectation that this legislation is going nowhere in the other body. Furthermore, on March 18, 2002, this Member noted in his statement on the House Floor for H.R. 536 that he had every reasonable assurance in this unpredictable place that eventually there would be a straight up-and-down vote specifically on the total elimination of the inheritance tax. This Member further noted that at that time that he will most assuredly vote ''no'' on the total repeal of the inheritance tax. Therefore, this Member rises today to express his strong opposition to H.R. 2143, which would make permanent the repeal of the Federal estate tax.

It must also be noted, however, that this Member is strongly in favor of substantially raising the estate tax exemption level and reducing the rate of taxation on all levels of taxable estates, and that he has introduced legislation, H.R. 42, to this effect. This Member believes that the only way to ensure that his Nebraska and all American small business, farm and ranch families and individuals benefit from estate tax reform is to dramatically and immediately increase the Federal inheritance tax exemption level, such as provided in H.R. 42.

This Member's bill (H.R. 42) would provide immediate, essential Federal estate tax relief by immediately increasing the Federal estate tax exclusion of $10 million effective upon enactment. (With some estate planning, a married couple could double the value of this exclusion to $20 million. As a comparison, under the current law for year 2001, the estate tax exclusion is only $675,000.) In addition, H.R. 42 would adjust this $10 million exclusion for inflation thereafter. The legislation would decrease the highest Federal estate tax rate from 55% to 39.6% effective upon enactment, as 39.6% is currently the highest Federal income tax rate. Under the bill, the value of an estate over $10 million would be taxed at the 30.6% rate. Under current law, the 55% estate tax bracket begins for estates over $3 million. Finally, H.R. 42 would continue to apply the stepped-up capital gains basis to the estate, which is provided in current law. In fact, this Member has said on many is provided in current law. In fact, this Member has said on many occasions that he would be willing to raise the estate tax exclusion level to $15 million.

Since this Member believes that H.R. 42 or similar legislation is the only responsible way to provide true estate tax reduction for our nation's small business, farm and ranch families, this Member must use this opportunity to reiterate the following reasons for his opposition to the total elimination of the Federal estate tax. First, to totally eliminate the estate tax on billionaires and mega-millionaires would be very much contrary to the national interest. Second, the elimination of the estate tax also would have a very negative impact upon the continuance of very large charitable contributions for colleges and universities and other worthy institutions in our country. Finally, and fortunately, this Member believes that actually it will never be eliminated in the year 2010.

At this point it should be noted that under the previously enacted estate tax legislation (e.g., the Economic Growth and Tax Relief Reconciliation Act), beginning in 2011, the ''stepped-up basis'' is eliminated (with two exceptions) such that the value of inherited assets would be ''carried-over'' from the deceased. Therefore, as noted previously by this Member, the Economic Growth and Tax Relief Reconciliation Act could result in unfortunate tax consequences for some heirs as the heirs would have to pay capital gains taxes on any increase in the value of the property from the time the asset was acquired by the deceased until it was sold by the heirs—resulting in a higher capital gain and larger tax liability for the heirs than under the current ''stepped-up'' basis law. Unfortunately, the bill before us today (H.R. 2143) apparently would also make the stepped-up basis elimination permanent resulting in a continuation of the problems just noted by this Member—higher capital gains and larger tax liability for heirs.

In closing, Mr. Speaker, while this Member is strongly supportive of legislation to substantially raise the estate tax exemption level and to reduce the rate of taxation on all levels of taxable estates, and as such introduced legislation to this effect (H.R. 42), this Member cannot in good conscience support the total elimination of the inheritance tax on the super-rich.

Mr. FORBES. Mr. Speaker, I rise in strong support of H.R. 2143, the Permanent Death Tax Repeal Act of 2001. There are two things certain in life: death and taxes. With estate taxes, Washington has figured out a way to marry these two certainties. fortunately, last year President Bush singed into law the Economic growth and Tax Relief Reconciliation Act of 2001, which represents the largest tax cut in twenty years. The new tax law reduces marginal rates across the board, provides for marriage penalty relief, expands the child tax credit, increases contribution limits for IRAs and 401(k) plans, and repeals the death tax.

Unfortunately, because of the other body's acrane rules, the Economic Growth and Tax Relief Reconciliation Act will sunset in 2011. This is because under the Byrd Rule a point of order may be raised in the Senate against any tax reduction contained in a reconciliation bill that reduces taxes beyond the window of the reconciliation bill, in this case ten years. The point of order can only be waived with the vote of 60 Senators.

Congress should not allow the Estate Tax to rear its ugly head again because of the Senate's bureaucratic rules. The sunset provision of the tax relief package defies the original intent of the legislation and makes it virtually impossible for people and small businesses to plan ahead from a tax standpoint. Taxpayers should not pay the consequences ten years from now because of an esoteric Senate rule.

I also support this legislation because the Estate Tax is bad policy. Families should be allowed to keep more of what they have earned throughout their lives. There is no other tax more offensive than that levied on the deceased and their families. Not only is it a double taxation, but also its very name is a misnomer. Rather than failing on ''estates,'' its most egregious effects are on small businesses and farms, which have been built over generations, only to be destroyed upon an individual's death in order to pay federal taxes. Clearly, this oppressive tax should be eliminated.

America has a strong and rich tradition of entrepreneurship and self-reliance. The Estate Tax, however, insults our values by forcing families to destroy a lifetimes work to feed the largess of the government. Rather, Congress should support policies that encourage the generational transfer of wealth. We should see that family farms and business are kept in business, not taxed out of existence because of the government. In the end, Mr. Speaker, the bottom line is that families should never have to visit a funeral parlor and the IRS in the same week.

Mr. Speaker, I urge my colleges to support H.R. 2143 and finally put an end to this misguided tax.

Ms. BROWN of Florida. Mr. Speaker, today is another sad example of why it matters who is in charge. We see today what the priorities are for this house leadership. For Republicans, the answer to every problem we have in this nation, and we have plenty, is tax cuts. The military and Coast Guard are underfunded, tax cuts. Seniors can't afford to buy the drugs they need, tax cuts. Veterans are being denied health care and benefits, tax cuts. Children are taking classes in trailers, tax cuts. Thousands of voters losing their right to be heard, tax cuts. We're struggling to find money to fight the war on terrorism, protect U.S. soil, rebuild New York, and keep peace in the Middle East. And the most important thing on the agenda for the Republicans is tax cuts for their country club friends that fund their campaigns.

The full repeal of the estate tax does nothing for the vast majority of Americans, and similar to most republican tax cuts, the lion's share of the benefits go to the super rich. If we have to deal with another tax cut, lets make it fair and immediate. The Democratic substitute will increase exemptions for small businesses and family farms, without jeopardizing the money we need to protect all our citizens from harm.

Mr. ADERHOLT. Mr. Speaker, last June, I had the privilege of attending the ceremony at which President Bush signed last year's historic tax cuts into law. This was quite an event, because it marked the enactment of the largest tax relief package in the last two decades.

It was also an accomplishment because it reversed the backwards way that Washington often views tax dollars as belonging to federal government bureaucrats, not to working family farmers and small business people. This backwards view is particularly stressful to families when a family member has passed away.

When someone who has paid taxes all of his life passes away, the death tax will still force surviving family members to pay up to 50 percent on the value of property of the deceased for tax year 2002. Fifty percent, even though the deceased spent a lifetime paying taxes on that very property. This is double taxation. With this high rate of taxation, families

can be forced from their houses, off of their farms, and out of their businesses.

Thanks to last year's tax cut, the death tax will be gradually phased out by tax year 2010. However, because of a procedural rule in the other body, the death tax will come back to life in tax year 2011. To keep the death tax in the grave where it belongs, I am pleased to serve as an original cosponsor of H.R. 2143, the Permanent Death Tax Repeal Act, sponsored by Rep. DAVE WELDON of Florida, and urge my colleagues to support this important legislation.

Mr. ETHERIDGE. Mr. Speaker, I rise today to voice my reluctant opposition to H.R. 2143. Mr. Speaker, I own a small farm and at one time was a small business owner. Therefore, I am fully aware of how estate taxes make it harder for parents to leave a legacy to their children, whether it is in the form of money, land, or a business.

Throughout my service in Congress, I have been a strong supporter of estate tax relief for family farmers and small business owners. The first bill I introduced as a Member of Congress was a bill to raise the inheritance tax exemption from $600,000 to $1.5 million and indexed it to inflation for the first time. When a similar provision was included in the Taxpayer Relief Act of 1997, I introduced another proposal to provide further estate tax relief for those who inherit family owned farms and small businesses, by providing an estate tax exemption of $4 million. Last year, I even voted for H.R. 8, the Death Tax Elimination Act of 2001, to repeal the estate tax entirely by 2010.

When I supported H.R. 8, our country was expecting continuing budget surpluses for years to come. However, the unfortunate reality of our situation is that we have witnessed—in just one year—the most dramatic fiscal reversal in the history of our nation. Last year's projected budget surpluses have disappeared, and our nation is now drowning in red ink with ever-growing budget deficits and increasing federal debt.

Certainly, the severe economic downturn and the cowardly terrorist attack our nation experienced contributed to our country's dire fiscal position. However, the primary culprit is the risky, irresponsible tax scheme the Republican Congress enacted last year; the same plan that provided for only a one-year repeal of the estate tax. According to the Administration's own budget figures, that tax scheme is responsible for the nearly two trillion dollars in new debt the country faces within the next 10 years.

As my record shows, I support providing estate tax relief, but not at the expense of our senior citizens who benefit from Social Security and Medicare. The only way to pay for this bill before us is by taking more money out of the Social Security and Medicare Trust Funds and replacing it with more IOUs. Making the repeal permanent at this time will compound the fiscal mistakes Congress made last year and make it nearly impossible for us to ensure that Social Security and Medicare will still be available when the baby boom generation retires.

In addition, instead of truly eliminating the inheritance tax, the bill imposes new capital gains taxes and record-keeping requirements on individuals acquiring inherited property. This bill requires the increased value of estates to be tracked over time so that capital gains taxes can be paid. This will place enormous capital gains taxes and record-keeping burdens on the heirs of estates that may be decades old.

We need is to come together and chart a new path toward fiscal responsibility. That is why I am supporting the Democratic substitute authored by Rep. POMEROY. This substitute provides an estate tax exemption of $3 million for individuals and $6 million for couples beginning January 1, 2003. This plan will exempt 99.7% of estates from the estate tax and cost less than half than a full repeal. In addition, the substitute repeals the Republican capital gains provisions that impose new burdens upon heirs.

Working together, we can move toward balanced budgets and away from bigger budget deficits; pay down the national debt; save Social Security and Medicare funds for older Americans and not for other purposes; maintain America's leadership in science and technology; invest in education, health care and other initiatives that enable people to make the most of their lives; and provide for a permanent estate tax repeal. Passing H.R. 2143 at this time is inconsistent with these goals and fiscal responsibility; therefore, I oppose the bill and will wait for the day that fiscal sanity returns to Congress.

Mr. SANDLIN. Mr. Speaker, I rise today in support of this legislation.

The elimination of the Estate Tax has been a priority of mine since I first got elected to Congress.

In 1997, as a Freshman Congressman, one of the first pieces of legislation I introduced was a bill to eliminate the estate tax. In every Congress since then I have reintroduced this legislation and I am committed to legislation to permanently end the estate tax.

All over Northeast Texas I have heard horror stories from many family members who have been forced to sell all or part of their family business or family farm just to pay the estate taxes. Family-operated farms, ranches and businesses are the backbone of the Northeast Texas economy and the estate tax threatens their continued existence. Currently, only about 30 percent of family businesses make it beyond one generation and that isn't what America is all about.

In 1997, I also supported the Taxpayer Relief Act, which increased the unified credit—the general estate tax exemption allowed under most circumstances—from $600,000 to $1 million over 10 years between 1998 and 2008. It also included a new exemption for family-owned farms and small businesses, ensuring that the total amount exempt from tax credits for these family-owned businesses would total $1.3 million. That was a good first step toward the American dream of building a business and passing it on to future generations. But, we still needed to do more.

Last year, on April 4, 2001, I voted for legislation that would phase out the estate, gift, and generation-skipping taxes over the next 10 years. However, as we all know, the version that was signed into law—as part of the overall tax cut package—re-establishes the estate tax in 2011. This is simply not acceptable to me or to the family business-owners and family-farmers who are hurt by the estate tax. I believe we have made great strides over the last 7 years to help family businesses and farms escape from the burden of the estate tax. However, the sunset is a setback for true, long-term relief.

Earlier this year, on April 15, a day when all Americans are focused on the taxes they pay, I introduced legislation to permanently repeal the estate tax. I wanted to signal the need to do more.

Today, I am pleased that we have the opportunity to vote once again on permanent repeal—making sure that the estate tax will not rear its ugly head again in 2011.

I believe, that no matter what, we must make the estate tax repeal permanent and that doing so is good for economic growth and is good for the American dream.

I urge my colleagues to support this important legislation and I yield back the balance of my time.

Mr. BALDACCI. Mr. Speaker, I rise today in opposition to H.R. 2143, the Estate Tax Repeal Act, and in support of the substitute amendment.

Mr. Speaker, no one wants to see family farms and businesses jeopardized by the estate tax. I am a small business owner myself, and I share the desire of many hard-working Americans who want to build prosperous businesses and farms, and then pass them on to their children in the knowledge that they will be secure.

However, this vote is not about saving family farms and businesses—if that were the issue, it would be easy enough for this House to protect them. The substitute bill before us today creates a high exemption that would protect almost every farm and business in America. Instead, this vote is a choice between enacting a generous exemption that safeguards family businesses, and enacting an outright repeal that gives a tax break to those with the highest incomes.

This makes a real difference to people. In my home state of Maine, only about 1 percent of estates would fall above the $3 million exemption. In high revenue years like 1999, the top 10 estates alone accounted for $30.6 million in state revenue. This is equal to the entire budget for the Maine Department of Public Safety. It is also equal to all of the growth in state medical care payments to providers in the state of Maine. If we were to pass an outright repeal of the estate tax, Maine would lose this desperately needed income, and would be forced to cut such vital services.

I do not believe it is worth trading our public safety activities, especially in the midst of a fight against terrorism, to give a tax cut to the top 10 estates in Maine. I do not believe it is worth cutting medical care in hospitals to give a tax cut to the top 10 estates in Maine.

Mr. Speaker, many states are currently facing the budget crises that is affecting my home state. Our Federal Government is now facing deficits as far as the eye can see. Why endanger our priorities in health, security, and education when a much better alternative is right her before us? Voting for the substitute will protect family farms and businesses, but preserve our fiscal stability and our ability to fund some of our most important needs.

I urge my colleagues to support the substitute, and to vote against H.R. 2143.

Ms. MCCARTHY of Missouri. Mr. Speaker, I rise today to express my strong support for the Democrat substitute which provides immediate, permanent estate tax reform, but in opposition to H.R. 2341. Small businesses and farm owners should not be penalized for their success, nor should they need to worry about their ability to pass the family business on to

future generations, and the substitute addresses these concerns. I continue to oppose complete repeal as proposed in the measure before us because it disproportionately benefits a small number of extremely wealthy individuals and runs our Nation's budget into deeper deficits.

In its current form, the estate tax affects less than 2 percent of the wealthiest Americans. As of January 1, 2003, the substitute will immediately increase the estate tax exclusion to $3 million for a single person and $6 million for a married couple. The substitute permanently exempts 99.7 percent of Americans, leaving the tax burden entirely on the wealthiest 0.3 percent of estates. This substitute updates our most progressive tax to affect even fewer families. I continue my support for immediate, permanent estate tax reform, unlike the Republican bill, which will not provide relief until 2011.

The Democratic substitute offsets the cost of the estate tax increase, but the Republican bill to totally repeal the estate tax, which costs more than $50 billion per year, comes at the cost of a prescription drug benefit, our children's education, and paying down the debt. I have worked too hard balancing budgets during my 25 years of public service to permit such irresponsible fiscal policy to prevail.

Totally repealing the estate tax is contrary to the wishes of two Republican Presidents, Teddy Roosevelt and William Howard Taft, who put this tax in place. In 1907, Theodore Roosevelt said the following regarding this progressive tax, ''Such a tax would be one of the methods by which we should try to preserve a measurable quality of opportunity for the people of the generation growing to manhood.'' During his Inaugural Address in 1909, William Howard Taft said, ''New kinds of taxation must be adopted, and among these I recommend a graduated inheritance tax as correct in principle and as certain and easy of collection.'' Historically, the richest in our society are the ones who pay the majority of the estate tax, and the original justification for this progressive tax is still applicable today, but reform is needed as our economy and times change.

Rick Mos is a small business owner in Kansas City, and he has concerns about the future. His company, High Life Sales Company, is a beer distributor in my district. He supports the reform that has already taken place to raise the exemptions and decrease the tax rates, and he supports permanent reform. He does not, however, support permanent repeal. He told me that if it were not for the estate tax, the wealthiest Americans would lose a necessary incentive to create charitable foundations which help all of our communities. Two of the largest charitable foundations in my district, the Kauffman foundation and the Hall foundation, have donated millions of dollars to the Kansas City community, including the construction of a state-of-the-art concert hall which is scheduled to be completed in 2007. Would there be as much money available if the estate tax was repealed? It is unlikely. Ewing Kaufman and Joyce Hall were great philanthropists, but they were also businessmen, and they recognized the tax benefits of giving to charity under the estate tax. Voting for H.R. 2341 repeals this charitable incentive.

Mr. Mos supports the Democratic substitute, but not a total repeal. We are hearing a lot of Members today talk about small business owners and farmers, but how many of you have spoken to small business owners in your district? I am sure you will find many constituents with the same beliefs as Mr. Mos.

Many of our Nation's billionaires have bonded together to form an organization called Responsible Wealth. Warren Buffet, one of the group's founders, argues that repealing the estate tax would be equivalent to ''choosing the 2020 Olympic team by picking the eldest sons of the gold medal winners in the 2000 Olympics.''

Let's do what is responsible for America and permanently reform the estate tax but not repeal it.

Mr. DINGELL. Mr. Speaker, I rise in opposition to a bald political move by my Republican colleagues.

Just a month and a half ago, on April 18, this body voted to make last year's tax cut permanent. Though I voted against it, it passed by a vote of 229–198. Why are we taking a piecemeal approach and voting on it again?

I would ask the Republican Leadership the same thing I asked when we voted on H. Con. Res. 312, on February 6. For those of you who don't remember, that was a bill that ''expressed the sense of Congress that the tax cut should not be repealed.'' Have we no real work to do?

Just over a year ago, this body voted on the President's tax cut. This tax cut, you'll remember, benefited only the wealthiest Americans. In order to cook the books and give tax breaks to their fat-cat buddies, my Republican colleagues put a 10-year sunset on that tax cut.

That brings us up to April 18, when this body voted to make the President's irresponsible tax cut permanent.

Yet here we are, we have no prescription drug benefit for our seniors, there are people earning a measly $5.15 an hour and we still don't have a patient protection bill. We do, however, have the time to debate and discuss whether or not we should make each aspect of that foolish tax cut permanent—even though we have already done so.

Mr. Speaker, I keep hoping that one day my colleagues on the other side of the aisle will cease to amaze me. But they never do. There is not a problem or crisis that they cannot address with a simple tax cut. And I would note that it is all the more appealing to my Republican colleagues if it benefits the wealthy.

I will not waste time here talking about the fact that we cannot pay for this tax cut, that further tax cuts will only serve to put us deeper in debt, and that we have other priorities that need to be dealt with. I have said it all before. I would simply ask my colleagues to vote against this redundant farce. Take this opportunity to send a message that there really are other things we should be doing. Vote no on this bill.

The SPEAKER pro tempore (Mr. SIMPSON). All time for general debate on the bill has expired.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. POMEROY

Mr. POMEROY. Mr. Speaker, I offer an amendment in the nature of a substitute.

The SPEAKER pro tempore. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute offered by Mr. POMEROY:

Strike all after the enacting clause and insert the following:

SECTION 1. RESTORATION OF ESTATE TAX; REPEAL OF CARRYOVER BASIS.

(a) IN GENERAL.—Subtitles A and E of title V of the Economic Growth and Tax Relief Reconciliation Act of 2001, and the amendments made by such subtitles, are hereby repealed; and the Internal Revenue Code of 1986 shall be applied as if such subtitles, and amendments, had never been enacted.

(b) SUNSET NOT TO APPLY.—

(1) Subsection (a) of section 901 of the Economic Growth and Tax Relief Reconciliation Act of 2001 is amended by striking ''this Act'' and all that follows and inserting ''this Act (other than title V) shall not apply to taxable, plan, or limitation years beginning after December 31, 2010.''.

(2) Subsection (b) of such section 901 is amended by striking '', estates, gifts, and transfers''.

(c) CONFORMING AMENDMENTS.—Subsections (d) and (e) of section 511 of the Economic Growth and Tax Relief Reconciliation Act of 2001, and the amendments made by such subsections, are hereby repealed; and the Internal Revenue Code of 1986 shall be applied as if such subsections, and amendments, had never been enacted.

SEC. 2. MODIFICATIONS TO ESTATE TAX.

(a) INCREASE IN EXCLUSION EQUIVALENT OF UNIFIED CREDIT TO $3,000,000.—

(1) IN GENERAL.—Subsection (c) of section 2010 of the Internal Revenue Code of 1986 (relating to applicable credit amount) is amended by striking all that follows ''the applicable exclusion amount'' and inserting ''. For purposes of the preceding sentence, the applicable exclusion amount is $3,000,000.''.

(2) EARLIER TERMINATION OF SECTION 2057.—Subsection (f) of section 2057 of such Code is amended by striking ''December 31, 2003'' and inserting ''December 31, 2002''.

(b) MAXIMUM ESTATE TAX RATE TO REMAIN AT 50 PERCENT; RESTORATION OF PHASEOUT OF GRADUATED RATES AND UNIFIED CREDIT.—Paragraph (2) of section 2001(c) of such Code is amended to read as follows:

''(2) PHASEOUT OF GRADUATED RATES AND UNIFIED CREDIT.—The tentative tax determined under paragraph (1) shall be increased by an amount equal to 5 percent of so much of the amount (with respect to which the tentative tax is to be computed) as exceeds $10,000,000. The amount of the increase under the preceding sentence shall not exceed the sum of the applicable credit amount under section 2010(c) and $224,200.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying, and gifts made, after December 31, 2002.

SEC. 3. VALUATION RULES FOR CERTAIN TRANSFERS OF NONBUSINESS ASSETS; LIMITATION ON MINORITY DISCOUNTS.

(a) IN GENERAL.—Section 2031 of the Internal Revenue Code of 1986 (relating to definition of gross estate) is amended by redesignating subsection (d) as subsection (f) and by inserting after subsection (c) the following new subsections:

''(d) VALUATION RULES FOR CERTAIN TRANSFERS OF NONBUSINESS ASSETS.—For purposes of this chapter and chapter 12—

''(1) IN GENERAL.—In the case of the transfer of any interest in an entity other than an interest which is actively traded (within the meaning of section 1092)—

''(A) the value of any nonbusiness assets held by the entity shall be determined as if the transferor had transferred such assets directly to the transferee (and no valuation discount shall be allowed with respect to such nonbusiness assets), and

''(B) the nonbusiness assets shall not be taken into account in determining the value of the interest in the entity.

''(2) NONBUSINESS ASSETS.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'nonbusiness asset' means any asset which is not used in the active conduct of 1 or more trades or businesses.

''(B) EXCEPTION FOR CERTAIN PASSIVE ASSETS.—Except as provided in subparagraph (C), a passive asset shall not be treated for purposes of subparagraph (A) as used in the active conduct of a trade or business unless—

''(i) the asset is property described in paragraph (1) or (4) of section 1221(a) or is a hedge with respect to such property, or

''(ii) the asset is real property used in the active conduct of 1 or more real property trades or businesses (within the meaning of section 469(c)(7)(C)) in which the transferor materially participates and with respect to which the transferor meets the requirements of section 469(c)(7)(B)(ii).

For purposes of clause (ii), material participation shall be determined under the rules of section 469(h), except that section 469(h)(3) shall be applied without regard to the limitation to farming activity.

''(C) EXCEPTION FOR WORKING CAPITAL.—Any asset (including a passive asset) which is held as a part of the reasonably required working capital needs of a trade or business shall be treated as used in the active conduct of a trade or business.

''(3) PASSIVE ASSET.—For purposes of this subsection, the term 'passive asset' means any—

''(A) cash or cash equivalents,

''(B) except to the extent provided by the Secretary, stock in a corporation or any other equity, profits, or capital interest in any entity,

''(C) evidence of indebtedness, option, forward or futures contract, notional principal contract, or derivative,

''(D) asset described in clause (iii), (iv), or (v) of section 351(e)(1)(B),

''(E) annuity,

''(F) real property used in 1 or more real property trades or businesses (as defined in section 469(c)(7)(C)),

''(G) asset (other than a patent, trademark, or copyright) which produces royalty income,

''(H) commodity,

''(I) collectible (within the meaning of section 401(m)), or

''(J) any other asset specified in regulations prescribed by the Secretary.

''(4) LOOK-THRU RULES.—

''(A) IN GENERAL.—If a nonbusiness asset of an entity consists of a 10-percent interest in any other entity, this subsection shall be applied by disregarding the 10-percent interest and by treating the entity as holding directly its ratable share of the assets of the other entity. This subparagraph shall be applied successively to any 10-percent interest of such other entity in any other entity.

''(B) 10-PERCENT INTEREST.—The term '10-percent interest' means—

''(i) in the case of an interest in a corporation, ownership of at least 10 percent (by vote or value) of the stock in such corporation,

''(ii) in the case of an interest in a partnership, ownership of at least 10 percent of the capital or profits interest in the partnership, and

''(iii) in any other case, ownership of at least 10 percent of the beneficial interests in the entity.

''(5) COORDINATION WITH SUBSECTION (b).—Subsection (b) shall apply after the application of this subsection.

''(e) LIMITATION ON MINORITY DISCOUNTS.—For purposes of this chapter and chapter 12, in the case of the transfer of any interest in an entity other than an interest which is actively traded (within the meaning of section 1092), no discount shall be allowed by reason of the fact that the transferee does not have control of such entity if the transferee and members of the family (as defined in section 2032A(e)(2)) of the transferee have control of such entity.''

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers after the date of the enactment of this Act.

The SPEAKER pro tempore. Pursuant to House Resolution 435, the gentleman from North Dakota (Mr. POMEROY) and a Member opposed each will control 20 minutes.

The Chair recognizes the gentleman from North Dakota (Mr. POMEROY).

Mr. POMEROY. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I think about a farm family, a farm couple, say in their eighties. Say they have an estate of $5 million. Listening to the debate today, they must be thinking, thank goodness for the majority, thank goodness they are helping us.

In reality, let us make it very, very clear, the majority bill does nothing until the year 2011. It does not change a thing. If they had a choice to make, eliminating the estate tax for more people now or wait until later and then repeal it, they took the latter route. We will show Members that reform now is very, very important to so many of the people they have been talking about all afternoon.

Let us compare how the bills contrast. We would establish an estate tax exclusion: no estate tax for couples with $6 million in assets beginning January 1. They would leave the law for estate taxes at $2 million. If one is above $2 million, they are going to have tax, under their proposal. How about 2004? They take it to $3 million; but we are at $6 million, way more meaningful relief for that farm family. The same in 2005, the same in 2006, the same in 2007 and 2008.

Through the balance of the decade, the substitute that we have put before the Members gives meaningful estate tax relief now. In their bill, there will be four different Congresses convening between now and the implementation date of their bill. We cannot tell events in 2011. We cannot bind events in 2011. We can do something now.

Mr. Speaker, this substitute will make the estate tax go away for 99.7 percent of all Americans. That is the family farmers, the small businesses. Those are the people we have heard so much from from the majority. It is $6 million for a couple and no estate tax beginning in January under our substitute. This is the approach we advance and want Members' consideration for.

Mr. Speaker, I reserve the balance of my time.

The SPEAKER pro tempore. Does the gentleman from California (Mr. THOMAS) claim time in opposition to the amendment?

Mr. THOMAS. Mr. Speaker, I rise in opposition to the amendment.

The SPEAKER pro tempore. The gentleman from California is recognized for 30 minutes.

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am old enough to recall a period of time in which records were first 78 rpm, and then we got the smaller ones when the kids' rock 'n roll began to come in, the old 45s. What was usually done was that there was on one side of the record the hit song, and then on the other side, what came to be known as the flip side. Rarely did we get a 45 record that had two really good songs on both sides, and there were some folks who made a living by living on the flip side.

So we have had the debate about getting rid of the death tax, repealing the death tax permanently. That is the hit side. The flip side of that record is what we are now debating. I do not care how many numbers on a chart are presented, I do not care how someone is going to tell us we are going to be okay for a while. The name of the song on the flip side is: we are reinstating a permanent death tax. The hit side is repeal, the flip side is that we want to retain a death tax. That is one of the reasons they talked about the hit side and the flip side.

Here in terms of this particular debate, all we have to say is, do what most of the kids did when they had their 45s: play the hit side, not the flip side. Oppose the substitute and support the underlying bill.

Mr. Speaker, I yield the balance of my time to the gentlewoman from Washington (Ms. DUNN), and I ask unanimous consent that she control the balance of the time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. POMEROY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the substitute effective January 1, 2003, repeals the estate tax for 99.7 percent of the people in this country: those couples with estates of $6 million and below. The majority would leave those couples without effective relief, their implementation date being 2011, the effect of their bill.

Mr. Speaker, I yield 3 minutes to the gentlewoman from Florida (Mrs. THURMAN), the cosponsor of the substitute.

Mrs. THURMAN. Mr. Speaker, I thank the gentleman from North Dakota for yielding time to me, and I think he has done a wonderful job in protecting the values of the people of this country.

Mr. Speaker, I rise in strong support of the Pomeroy-Thurman substitute and in opposition to H.R. 2143. Mr. Speaker, in 1999 I urged the House to pass a sensible bill that would remove estate tax from small businesses and family farmers. If the House had adopted my suggestion, we would not be offering this substitute today, and people that had died and had to paid the death tax would not be paying it today.

This substitute creates an immediate $6 million exemption for couples. The majority bill is only $2 million per couple. Think about that. Members should ask their neighbors and coworkers if they have $6 million, or if they know anybody who does. I am not talking about a $500,000 estate or $1,000,000, but $6 million.

In 1999, for example, there were 3,300 people nationwide that had estate values at more than $5 million, 412 estates in Florida. If we adopt this substitute, even fewer Americans will be touched by the estate tax.

Mr. Speaker, this bill is not about small business relief, it is the answer to Bill Gates, Sr.'s question: How high a price is America willing to pay in order to give a handful of millionaires and billionaires a tax break?

Each week I meet with individuals who tell me their needs. It may be farmers who need water to fight an ongoing drought; it may be utility contractors who need money for water and sewer programs. I have heard their pleas and would like to help them; but guess what, my hands are tied because there are no Federal funds left.

Ask the mother of a child from Jacksonville with juvenile diabetes if she wants a permanent estate tax repeal or more health research or health care for her child.

Ask the family from Broward County, Florida, that I talked to outside of my office a few weeks ago. They explained the problems from the lack of funding for a rare childhood disease of their daughters. Most of this House is on record in support of additional health research funding. Where do Members think this money comes from?

Ask our parents or grandparents about a real Medicare prescription drug plan. Without funds, they will be forced to choose between food and medicine. This bill, and others like it, reduces even further revenue that could fund these and other programs. With the substitute, at least we may be able to have some money to help fund some of these programs.

Mr. Speaker, one final point about the difference between what the majority talks about in their speeches and what they put in their bills. Why do we have to wait until 2010 to get the benefit of the estate tax repeal? The substitute, on the other hand, repeals the tax for 99.7 percent of the people as of January 1, 2003.

□ 1445

If we want to help small businesses, support the substitute; but if we want to increase future deficits, oppose the substitute. If we want to help family farmers, support the substitute. If we want to increase the national debt, then do not. If we want to provide some money for Medicare, health research, homeland security, and defense, support the substitute. If we want to further limit our ability to meet people's needs, then do not.

Ms. DUNN. Mr. Speaker, I yield myself such time as I may consume.

The Democrat substitute is a short-term fix, and it is really a scam. It is masquerading as real tax relief. As I listen to the gentlewoman talk about the incidents in her State of Florida, it occurs to me that the numbers tell a different story. They are complaining about our not having enough money to spend on certain programs, many of which I think are very worthy and many of which we are spending money on. But in the Democrat substitute over the first 5 years, they are spending $22 billion compared to the $9.2 billion that we spend in ours. They are actually raiding the coffers to a much greater extent themselves.

Mr. Speaker, their bill does not address rates. After the $3 million credit, the family is forced to pay taxes starting at a 50 percent rate on every dollar over the credit. It does not start at 1 percent. It starts at 50. For businesses valued at $6 million, this means a tax bill approaching $1.5 million.

Under the substitute, the United States will still have the second highest death tax rates in the world after Japan, behind bastions of free market capitalism like France and Sweden.

Secondly, every attempt to provide the death tax relief has been a failure. We all know what happens when a tax is left on the books. It simply grows back. It grows back in this case with a vengeance. Inflation alone can subtract 30 percent of the value away from the exemption that the substitute requires. If we do not pull the death tax out by the roots, there is no guarantee that the exemption will not be reduced totally by a future Congress.

The Pomeroy substitute also sets an arbitrary limit on the size of a protected business. It essentially tells businesses to be successful but not too successful. Unless the $3 million exemption were adjusted for inflation, as I said, within 10 years inflation could decrease its value by 30 percent.

The Pomeroy substitute will actually cost over twice as much in the next 5 years as immediate repeal. I think this alone is a very important way to view this substitute because it is being sold as something that will allow us to take care of the involvement of the cost of that bill in a more effective way and it certainly is not true.

Finally, and perhaps most importantly of all, the substitute affirms the flawed notion that it is fair and reasonable to tax people at the end of their lives. Instead of rewarding them for saving or building a business, being successful, we punish them by assessing on them a very burdensome and unfair tax.

I urge my colleagues to reject the substitute, eliminate the death tax once and for all. We can do that by our vote today in the House of Representatives.

Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. PORTMAN), a valued member of the Committee on Ways and Means.

Mr. PORTMAN. Mr. Speaker, I thank the gentlewoman for yielding me time and I appreciate her leadership on this issue.

We have had an interesting debate here on the floor this afternoon. It started out as a debate about whether there should be a gifted estate tax or not. And the other side of the aisle said it is important that we soak the rich and we do not want to let people get off. Our side was saying the estate tax does not make any sense, and now we are hearing from the other side of the aisle that actually we do believe that there ought to be less of an estate tax, actually, and, in fact, ours costs more over the next 5 years than yours does and that is somehow good. So we are hearing very different arguments coming from the other side of the aisle.

I guess what I would say is we have a fundamental decision to make here. Is this death tax a good thing or not? And what we are saying is: No, it is not. And there are a lot of reasons for that.

One is the fact that it does hurt the economy. It is not the rich person who ends up getting the benefit of the death tax. That person is gone. That person is dead. It is the people who are left behind. It is the heirs but, more importantly, it is the employees of these small businesses, these family farms, who then do not have a job because they no longer have a business.

Now, let me tell you, if you look at some of the data on this, it is amazing. This is 1.4 percent of total revenues to the Federal Government, extremely complex. There are thousands of valuation cases at the Department of Justice today, so it is an extremely expensive system to administer, and it has this effect of allowing for so many businesses not to succeed.

We know that over half of minority businesses today, based on a Kennesaw State College study, are unable to grow, or fail because of the legal and accounting costs of the death tax. Even those folks who end up not being hit by the death tax have to go through the legal and accounting and the costs associated with it. This chart shows that it harms women business owners particularly because many of them are small business owners. They spend an average of $1,000 a month just paying to plan for the death tax. Instead of that money going into planning, into lawyers and financial planners, it could be used to provide health benefits, to provide pensions for their employees.

This is really a fundamental, philosophical divide we have. Should there be a death tax or not. We say the death tax is inefficient. It is a terrible way for the Federal Government to get revenue. It ought to be ended. It is also bad for the economy. You all want to continue it. I think that is the question we have before us today.

Mr. POMEROY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am very astounded the other side would suggest that the cost of our package is more than their package. The 10-year figure makes it very

clear. The cost of our package is $5 billion. And we had that offset, although the offset was not allowed under the rule, but $5 billion. The cost of their package over the 10 years, $99 billion. When they talk about a 5-year cost figure, that is not but half the story. The full story is the 10-year figure, $99 billion for the majority, $5 billion for ours, and that does not exclude the next 10 years where theirs balloons to over a trillion dollars if you count death service. Whatever merit there may be to their arguments, and frankly they are pretty thin, it certainly has nothing to do about cost. Their package is, over the long run, is infinitely more expensive than ours.

Mr. Speaker, I yield 2½ minutes to the gentleman from Los Angeles, California (Mr. BECERRA).

Mr. BECERRA. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I think my friend and colleague, the gentleman from Ohio (Mr. PORTMAN), has said it well. We do have to put everything in context and we have to understand what we are talking about. Right now is should we have cut the estate tax, a tax that of the 270 million Americans will benefit about 33,000 Americans and that estate of those Americans. So that is slightly under 2 percent. It is about a percent and a half of all Americans get taxed under the estate tax. And this bill, which is predicted to cost $100 billion over 10 years, if you take it out to those 10 years, when it is fully phased in, the cost is about $100 billion per year. So over the second decade you are looking at about a trillion dollars when you factor in the interest that we have to pay for that. Of about $100 billion a year, a trillion dollars over a decade in costs.

So let us put that in context. Today, unlike a year ago when we were being told we would have surpluses in our budget as far as the eye can see, today we have a budget deficit of something around $100 billion. Today what are we doing to pay that $100 billion that we do not have so we can have the government operating? We are using this. The government credit card. Where are we getting the money to pay the cost of that credit card and the interest on that government credit card? The Social Security trust fund and the Medicare trust fund.

What is that trust fund money supposed to be used for? For those who are retiring so they can get Social Security and Medicare. What happens when you use the Social Security trust fund monies and the Medicare trust fund monies for things other than Social Security and Medicare? You have got to find money in the future to pay the cost of Social Security retirement and Medicare benefits that you no longer have.

What else happens? In the future you will have to cut things like education, health care, housing because you do not have the money any more. So let us put everything in perspective here. When we talk about the estate tax cut and we talk about kids and seniors on Social Security and seniors needing prescription drug coverage which they do not have right now under Medicare, what is their priority? Do you want to pay down the debt? The President said last year we could pass our tax cut of last year and still pay down the debt.

Well, today we not only cannot pay down the debt nor the interest on that debt, but it is going to grow. And so I look at our budget for education, which this year is about $51 billion. We are going to spend more on giving 30,000 of the wealthiest Americans a tax cut than giving the 45 million kids in our public schools any additional money in education. That is not a priority in my book. And that is why you should support the Pomeroy substitute because what the Pomeroy substitute says is help the family farm, help the small business. We can do that and still make sure everyone has shared sacrifice. Vote for the substitute and vote against the bill.

Ms. DUNN. Mr. Speaker, how much time is remaining?

The SPEAKER pro tempore (Mr. SIMPSON). The gentlewoman from Washington (Ms. DUNN) has 23 minutes remaining. The gentleman from North Dakota (Mr. POMEROY) has 21 minutes remaining.

Ms. DUNN. Mr. Speaker, I yield 3 minutes to the gentleman from Georgia (Mr. KINGSTON).

Mr. KINGSTON. Mr. Speaker, I thank the gentlewoman for yielding me time.

The Democrats today keep talking about cost. But things do not cost you money when it is not yours. This money belongs to the taxpayer, the wage earners who made the money. That is who this is going to cost. It is not going to cost the government anything. This is confiscating less money from the taxpayers. That is what our bill does today. The Democrats talk about making theirs permanent. We wanted to make ours permanent now, not 10 years from now. It was your parliamentary procedures in the other body that caused us to expire this in 10 years or make it happen in 10 years. We want it effective now.

The Democrats talk about their plan. Well, when they had the House and the majority in the Senate and the White House, did they do any estate tax relief? Of course not.

The Democrats talk about Social Security and Medicare. Well, when you do not have anything to offer, you bring out the tried and true, let us talk about Social Security and Medicare and scare the folks back home, and every time you hear that you know the Dems do not have a plan.

In fact, the Democrat issue of fairness is like this. Imagine you have two Democrat friends and you are walking down the street with them and you have $15 in your pocket and they do not have any. Well, they say it is lunch time. You have $15. We do not have any. Let us have a vote to see who pays for lunch. So the two of them vote. I pay for lunch with my $15 and that is fairness in their definition.

You might think that is absurd, but I can promise you this. Let us say there were 10 people walking down the street, nine had no money and the tenth had all the money. Under their definition of fairness, that tenth person must have done something wrong because he has money. Therefore, let us vote the money out of his pocket and put it in ours. That is the Democrat vision of fairness.

If you want to talk about fairness, come with me to Moultrie, Georgia, talk to a friend of mine who is in the small loan business. He inherited this from his dad, he and his brother. And they paid estates taxes on it about 20 years ago. They have built it up to 16 different locations. They have about 100 employees, take real good care of their employees. In fact, they own a condominium in Ferdanina Island, Florida. They let the employees use it all year long. It is one of the benefits of working with a good company that takes care of things. This guy has a daughter at the University of Georgia.

Now, I asked him will she get in the family business? He said, I do not know. Because after 16 different locations, the Federal Government makes it so hard for us to continue to grow it might not be worth our while to expand any more.

So one of the great problems of having estate tax is that it cripples business from future growth and doing things today. I believe we should bury the estate tax, not just for my friend in Moultrie, Georgia, for farmers all over Georgia. This bill is supported by the National Black Chamber of Commerce, the Hispanic Business Roundtable, the National Federation of Independent Businesses, and many, many other commonsense associations support it.

Mr. Speaker, I hope that we will support the Republican plan and vote no on the Democrat substitute. And I thank my friend, the gentleman from Mississippi (Mr. TAYLOR), for listening so attentively.

Mr. POMEROY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would observe that we would provide relief to the gentleman's farmer constituents to the tune of $6 million next year for a farm couple, no estate tax if they are below that. Under their legislation, there will be estate tax consequences if they are over $2 million.

The time to address estate tax is to do it now. And our bill, effective on January 1, makes the estate tax go away for 99.7 percent of all Americans, those with estates of $6 million and others. I cannot understand why, if the problems are so severe as we are hearing from the other side, they do nothing under their legislation until the year 2011.

Mr. Speaker, I yield 2 minutes to the gentleman from Mississippi (Mr. TAYLOR).

Mr. TAYLOR of Mississippi. Mr. Speaker, there is something that has not been mentioned much today. There is something we cannot run away from. Two weeks ago today this body, in mostly a party-line vote, voted to raise the debt limit by $750 billion. Now that is a thousand time a thousand time a thousand times 750.

My buddy, and I do say buddy, the gentleman from Oklahoma (Mr. WATTS), a couple minutes ago said, hopefully we can leave something for our kids and grandkids.

Well, that is what we are leaving them, $6,019,332,312,247.55 of debt.

□ 1500

In my daughter's lifetime, she is 23 years old, we have added $5 trillion to that debt.

What particularly troubles me is coming from all of my Republican opponents who keep telling me I am from a wealthy family, I am not going to pay any estate tax. So I have a bit of trouble. In order to give truly very, very wealthy families a tax break, you are sticking my kids with the bill. It is that simple. Because not only do we owe this money and not only have you run up the debt by $363 billion in the past 12 months, guys, you control the House, you control the Senate, you control the tax bill, and you control the spending bill. That is how much debt you have run up in 1 year, and you are sticking my kids with the bills. And until they pay off that bill, they are going to squander a billion dollars a day on interest, and your answer to all of this is to stick them with more bills. That is not fiscal responsibility.

I liked you guys so much better when you were for a balanced budget. But in the 6 years, the past 6 years, the whole time the gentleman from Illinois (Speaker HASTERT) has been Speaker, you have not scheduled one vote on a balanced budget amendment. We found enough time to debate the Nutria Eradication Act. We cannot find time to talk about a balanced budget. Quit sticking my kids with your bills.

Ms. DUNN. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. DELAY), the majority whip of our Congress.

Mr. DELAY. Mr. Speaker, I appreciate the gentlewoman from Washington (Ms. DUNN) for yielding time to me.

Mr. Speaker, only Democrats believe that cutting taxes is a spending program, that cutting taxes increase the debt. What increases the debt is government spending more than it takes in. That is what increases the debt. Spending increases the debt.

Mr. Speaker, the Members really face a clear choice today. It is very basic. Will they stand with the taxpayer, or will they empower the tax collector? Will they stand with mom and pop businesses and American farmers, or will they assist those seeking to confiscate their hard-earned assets? In short, will they revive the death tax, or will they repeal it? They just cannot help themselves.

The gentleman from North Dakota (Mr. POMEROY) was talking about we covered 99.7 percent. They cannot repeal a tax. It is just not in their nature to repeal the tax. If you are doing 99.7, which I disagree with, then why not the other .3 percent and be fair and repeal the tax? They just cannot. Do you know why? Because they want to use it sometime in the future to take money from American farmers, money from American businesses, put it in the government's pocket so that they can spend.

I hope the voters really watch the vote that is taken here today. The Republican Party agrees with the vast majority of the Americans who believe that the death tax is the most evil tax on the books. Polls show it; the American people understand it. Unfortunately, the voters understand this issue far better than some Members of Congress.

Let us place things in their proper perspective. A farmer or a small businesswoman works their whole life, builds a business, nurtures a small farm; and the whole time that they do that, they pay taxes, year after year, decade after decade; but that is still not enough for some of those who support this tax. As the hard-working American passes on, the death tax and its awful terms require that the IRS must confiscate over half of the value of their business and their farm. That is fundamentally wrong, and it is fundamentally unfair even for the .3 percent that they want to continue to tax.

It remains to be seen how many Members will exercise sound judgment by rejecting class warfare and voting against this substitute. But let us be clear about exactly what this substitute does. The substitute is a tax increase, plain and simple. The substitute reverses the current law phase-down in the death tax rate and instead increases and maintains the rate at a whopping 50 percent.

The substitute does not even index the exclusion. In plain English that means small businesses and farms that think they are okay today may later find out that the death tax reaches back and grabs them down the road; and most importantly, the substitute brings back this evil tax, while the underlying bill abolishes it once and for all.

Let us drive a stake through the heart of the death tax. Let us end it for all time. Do the right thing, support the underlying bill and strike down this substitute.

Mr. POMEROY. Mr. Speaker, I yield myself such time as I may consume.

I think the majority whip has posed an important question: Why have we structured it as we have? We believe it is more important to get relief out now, and under the substitute if someone is $6 million and below for a couple, no estate tax beginning next year.

The majority whip has just spoke for a proposition that will leave the estate tax on estates over $2 million next year and will not match the substitute by way of providing estate tax relief until late in the decade. Their bill does nothing until the year 2011. That is too long to wait. Meaningful reform now. Make estate tax go away for 99.7 percent of the people in this country.

Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, if the American people ever wondered how so-called compassionate conservatives define shared sacrifice, I hope they are watching the debate today. With our Nation battling the evil of terrorism, both at home and abroad, with the Federal Government on course to run a deficit outside of Social Security of $314 billion and with the Republican Party plundering our Social Security surpluses in direct violation of its own pledge not to do so, now, now is the time our friends in the GOP believe to bestow billions upon billions of dollars on a few thousand Americans.

This is not about all Americans. This is about the wealthiest Americans, the billionaires in our country, by permanently repealing the estate tax, a reaffirmation of their leave-no-heir-behind philosophy.

Yet we cannot get a vote on increasing the minimum wage. Yet congressional Republicans just passed welfare legislation that would force mothers of young children to double their work week. Yet congressional Republicans drag their feet on extending unemployment benefits for thousands of Americans who lost their jobs after September 11, and at the very same time, they try to give Enron and a handful of other corporations billions of dollars out of the Federal Treasury.

The plight of the wealthy has always been the top of the GOP agenda; and with today's vote, the Republican Party reality ought to rename itself the ''free lunch'' party.

The whip said that he is against taxes, this is an evil tax. The whip believes every tax is evil. The fact of the matter is if someone wants to buy an aircraft carrier, if they want to buy a school lunch for a poor child, if they want to have a Head Start seat for a child who needs a hand up, then we need to pay for it in this generation. That is what the gentleman from Mississippi (Mr. TAYLOR) was talking about.

It feigns support for fiscal responsibility, but it then enacts a budget-busting tax program. It claims that it supports education, but then short-changes programs with the bipartisan No Child Left Behind Act by $90 billion, and it pretends to support Social Security, but then brings this bill to the floor, a bill that would cost $109 billion between 2003 and 2012 and more than $1 trillion in the decade after 2012, precisely when the baby boomers retire in full force.

Mr. Speaker, I urge my colleagues to support this substitute. It is fiscally responsible. It is good policy, and it exempts 99.7 percent of the American public from the estate tax. It is a good bill.

Ms. DUNN. Mr. Speaker, I yield 2 minutes to the gentleman from Montana (Mr. REHBERG).

Mr. REHBERG. Mr. Speaker, I am here today to urge this Congress to set right a terrible wrong in the Tax Code. There is a basic principle in the American criminal justice system that protects our citizens from being charged with the same crime twice. It is unfortunate that our Tax Code does not provide the same protections for families trying to leave a better future for their children and their grandchildren.

The real tragedy of this debate today is that it has been waged between lawyers and professors, and I stand before my colleagues today as a small businessman; and I say to my colleagues, when is enough enough? They get us on the income tax; they get us on the capital gains tax. Do they have to get us again on the death of a loved one?

As a fifth-generation Montana rancher on the same ranch, my own family was forced to deal with the terrible unfairness of the death tax. I had to sell my home that was built by my great grandfather and sell a third of my ranch just to pay the down payment on my colleagues' beloved estate tax; and after selling my home, I spent the next 18 years paying off the rest of the estate tax burden, and let me tell my colleagues, this is not some academic or some legal debate today.

Eliminating the death tax is about fairness. It is about equality. It is about preserving a lifetime of work. This bill is too late to give me back my home. I just do not want to see it happen to one more American family.

It is unfortunate, but our opponents, the opponents of permanently eliminating the death tax, are back to their old tricks of class warfare. This is not a time for political games or false innuendo designed to pit one American taxpayer against another. The death tax is nothing more than a final desperate grab by the United States Government to get into the pockets of American taxpayers.

During the last 10 years, the death tax has cost Montana families $200 million in lost opportunity. This money should have been spent to upgrade family farms, to expand small businesses, to plan for retirement, or pay for my child's college education. Instead, it was sent to Washington, D.C., to feed the Federal bureaucracy. Do the right thing, kill this amendment.

Mr. POMEROY. Mr. Speaker, I yield myself such time as I may consume.

I know my friend from Montana is very sincere in his arguments, but his proposition gives not one nickel of additional relief to his constituents until the year 2011. If it is too late now, certainly we ought to move something in place more quickly than that.

Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. TURNER).

Mr. TURNER. Mr. Speaker, the Democratic substitute offered by the gentleman from North Dakota (Mr. POMEROY) today gives more tax relief to more families immediately than the Republican bill.

The contrast between the Republican bill and the Democratic substitute is stark. The Republicans choose to help the wealthiest families in America while leaving the families with small businesses and family farms paying the estate tax for the next 7 years.

The substitute being offered today provides $3 million in exclusion from the estate tax, $6 million for a couple. Unfortunately, families across this country will have to wait until 2009 to get similar relief from the Republican bill.

Let us look at the facts. Every year between now and 2009, Republicans are willing to let over 50,000 modestly wealthy families continue to pay in estate tax while giving the wealthiest 300 families an average of $10 million in tax relief. The Republicans have chosen to benefit the super-rich instead of helping 50,000 families who would be immediately taken off the estate tax rolls by the Democratic substitute.

It should be no surprise to discover that under the Republican bill a new capital gains tax is imposed on over 18,000 American families every year by the elimination of the so-called stepped-up basis in values for estates above $1.3 million. Imagine the surprise of a family who inherits a $4 million family farm or business from their father, when they learn that under the Republican bill, when they sell that family farm or business, they are going to have to pay a capital gains tax on the difference between what they sell it for and what the original cost of that farm or ranch was to their father.

I thought the Republicans were against increasing taxes. Today, they have increased the capital gains tax. The Democratic substitute does not do that.

□ 1515

Ms. DUNN. Mr. Speaker, I yield 2½ minutes to the gentleman from the State of Missouri (Mr. HULSHOF), a very valued member of the Committee on Ways and Means.

Mr. HULSHOF. Mr. Speaker, I thank the gentlewoman for yielding me this time, and what I would say to my friend who just spoke is that if the idea is to make it easier to pass the family business to the next generation, then we should get rid of the death tax. And if then those surviving heirs wish to dispose of that family farm or business, then maybe they will be subject to the capital gains tax.

I would like to pose a rhetorical question to my friend, the gentleman from North Dakota (Mr. POMEROY), and I will set up the hypothetical like this.

Howard Eiffert, in my hometown of Columbia, Missouri, began the Boone County Lumber Business back in 1965. He has two sons, Brad and Greg. They employ about 31 people in Columbia with good paying jobs. Everybody there works very hard to make sure the business is successful.

Under the gentleman's substitute, will the heirs of Mr. Eiffert have to pay the death tax?

Mr. POMEROY. Mr. Speaker, will the gentleman yield?

Mr. HULSHOF. I yield to the gentleman from North Dakota.

Mr. POMEROY. Mr. Speaker, I appreciate the gentleman's question, though I thought it was a rhetorical question.

I really do not have many facts on this circumstance, but if the estate is below $6 million for the gentleman and his wife, there would be no tax.

Mr. HULSHOF. Reclaiming my time, Mr. Speaker, I offered the question in good faith, and I think the answer is the best the gentleman could give me, because the answer is he does not know. And I do not know. In fact, I would suggest that the Eiffert family at this point does not know.

They do not know what the value of the estate will be when the founder of that company dies, whether it is going to be under $6 million or over $6 million. So we cannot determine at this point whether or not these numbers the gentleman is throwing around, whether this small family business in Columbia, Missouri, is going to be helped by the gentleman's substitute or not.

The larger point I hope to make is this: As long as we maintain a Federal estate tax, we still are going to have to have resources committed to Federal estate plans. In fact, there is a lot of concern about loss of manufacturing in this country, especially from my friends on the other side. The National Association of Manufacturers says that the average small manufacturer in America spends $52,000 a year to avoid the death tax.

To me, there is a simple question here today: Should the death of a family member be a taxable event? Period. My answer is, Mr. Speaker, a simple one: A resounding no.

Mr. POMEROY. Mr. Speaker, I yield myself such time as I may consume to observe that there could not be more uncertainty than having a 2011 effective date, which is what the Republican legislation has. There are four sessions of Congress to meet between now and then, and the estate tax levels under the Republican plan will be at $2 million, $3 million, $4 million, and moving around.

We move it to $6 million. No estate tax if you are below $6 million, effective January 1 of 2003. It could not be more clear.

Mr. Speaker, I yield 2 minutes to the gentlewoman from Ohio (Mrs. JONES).

Mrs. JONES of Ohio. Mr. Speaker, I rise in support of the Democratic substitute. An earlier speaker said he came here as a small businessman. I am a lawyer, and I am proud to be a

lawyer, and I stand up for all trial lawyers across this country. What I would have suggested to him, because he is over here saying it is the lawyers that have caused the dilemma with the estate tax, I would suggest to him get a good lawyer and let that lawyer do some tax planning for himself and his family.

Let me also say at this juncture the Republicans are saying to us to put a stake in the heart of the death tax. But what they want to do, they want to put the stake right like this and hold it for 10 years where it gets rusted. The Democrats are saying we are going to put the stake in it right now, right here. They are saying kill the death tax. But when? It is 2002 now and they want us to wait until 2011.

I stand here wholly in support of this legislation. And it seems that the Republican Party wants to say they are the best to support business in these United States. Strong Democrats support business. And we so strongly support business, all the business folks out there listening, hear us, we so strongly support you that we want to get rid of the estate tax right now.

We want to get rid of the estate tax, except for a little portion. And the reason we want to hold on to that little portion is because that little portion equals $740 billion. That is why we want to hold on to it, so that in future times we can afford to maybe do a prescription drug benefit. We can afford maybe pretty soon to put a little more money in education. We can afford pretty soon to look at the whole health care piece and decide what is wrong.

I say to my colleagues, let us put a stake in the death tax, but let us not hold off for 10 years. Let us do it now.

Ms. DUNN. Mr. Speaker, I yield 2 minutes to the gentleman from Oklahoma (Mr. WATKINS), a member of the Committee on Ways and Means.

Mr. WATKINS of Oklahoma. Mr. Speaker, I thank the gentlewoman for yielding me this time, and I stand in support of the committee bill and against the substitute.

I am going home this year, after 20 years of service in this body; 14 years I served on the Democrat side and 6 years now on the Republican side. And let me say that during those 20 years I probably sponsored or cosponsored the elimination of the death tax, or the estate tax a lot of people like to call it, probably every year.

I am also probably one of the biggest backers of a balanced budget, and I am proud that in the last 6 years we balanced the budget and we have paid off $450 million of the debt. Now, I hated to see the downturn in the economic indicators a couple of years ago when it started in, and we have now had a downturn in the economy, which makes it tough. But that does not justify us not eliminating this double taxation.

This is double taxation. Taxes are paid as an estate is put together, as a business gets put together, and ranches are put together. Taxes are paid. And when you end up dying, your estate has to pay it or your children. That is wrong.

Let me share a couple of calls I have had over the years that I still recall very much. One was a neighbor, a cattleman, a rancher, a robust, tough guy. His father and he worked together and put together this large ranching operation. The son called me and wanted to meet, and I said, yes, we will meet the next morning for coffee. We met. Very emotional. He looked at me and he said, ''Wes, why do I have to sell the place that my dad and all of us put together to pay taxes?''

It is wrong. And it cannot just be a little wrong, it cannot be just a little sin. It is wrong. Same for industry. A small industry was put together, a family operation. They worked side by side, the family. The parents died and they are going to have to sell it.

Let us do what is right. Doing what is right is to stop the double taxation. Let us be for the committee bill and against the substitute.

Mr. POMEROY. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. STENHOLM).

(Mr. STENHOLM asked and was given permission to revise and extend his remarks.)

Mr. STENHOLM. Mr. Speaker, I rise in strong support of the Pomeroy-Thurman substitute, which would increase the exemption for all small business estates immediately upon enactment to $6 million.

I cannot believe there is anyone who believes that that is not better than the base bill today, that gives the rhetoric of ending the death tax when everyone knows there will be at least three Congresses that will be in session before we get to 2010.

My strongest opposition to the base bill today is in the fiscal area. I do not understand how my friends on this side of the aisle can constantly and consistently come to this floor and totally ignore the fiscal condition of our country today. In spite of my friend from Oklahoma saying the debt has come down, the debt has gone up. The administration is asking that we borrow $750 billion, and that is just the beginning. And my colleagues know it.

It is important for us to start speaking honestly. There is so much my friends over here say about the death tax that I agree with that that is why I support the substitute. I would rather we not be debating this today, because today it is fiscally irresponsible. We are at war. We ought to be dealing with making sure we do not increase the additional debt on those young men and women over there fighting. But, instead, we have an argument here that is pure political rhetoric that will give a political issue so that we can say ''he said,'' ''you said.''

I want to make it very clear: I support immediately exempting all estates of $6 million and less from ever having to worry about the death tax again. And I have yet to meet the first farmer, the first rancher, the small businessman or woman, the first independent oil producer that says, when they understand what we are offering, that would not take that. A bird in the hand is worth two in the bush. It really is.

But, instead, we are sitting here arguing about repeal. Instead, we are going to deny small businessmen and women who are unfortunate enough to die in the next 6 months or 9 months, they are going to be unfortunate and have to pay that onerous tax that I happen to agree with my colleagues we should be eliminating.

Ms. DUNN. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. MANZULLO), the chairman of the Committee on Small Business.

Mr. MANZULLO. Mr. Speaker, we hear statements today that it only applies to 10,000, it only applies to 33,000 people. Do my colleagues know how many farmers are left in this country? Not too many. This applies to most of them.

One of them is Gary Hall of Ogle County, Illinois. Gary's dad died in 1997, and he wrote us a letter. He said, ''My dad worked very, very hard to get where he was financially when he passed away last November. He struggled raising his family of a wife, four daughters, and a son by trying to work on the farm, getting them to work there, getting interested in 4H, buying old machinery and fixing it up.''

When he died, the government came in and asked for $2.7 million in taxes. He says, ''Why does the government deserve to squander or blow dad's hard work away? Why can't you leave your estate to your children or family to continue to farm the land? Why do we have to remortgage farms that were paid off years ago by our parents, and then have our children do the same? We do not want to sell any of dad's farms. We want to keep them in his name and pass the farming operation down to many future generations.''

For all the great conservationists we have here in the Congress, do they not realize one of the greatest incentives for plowing up farmland and putting in a subdivision is to pay the death tax? I mean the green thing to do is to not tax someone's estate when they die. Farmers are forced to sell the land. I was there. I practiced law in the country for 22 years. I was there when the gavel went down by the auctioneer and half a family farm was sold just to pay taxes. I wish my colleagues could have seen the looks in those kids' eyes. It is unbelievable.

That is what this is about. It is about the Gary Halls of America.

Mr. POMEROY. Mr. Speaker, I yield myself such time as I may consume to note that the U.S. Department of Agriculture has statistics that show 99 percent of all farms in this country have assets of less than $5 million. They would all be taken care of under the substitute effective January 1 of 2003.

Mr. Speaker, how much time remains?

The SPEAKER pro tempore (Mr. SIMPSON). The gentleman from North Dakota (Mr. POMEROY) has 8 minutes remaining and the gentlewoman from Washington (Ms. DUNN) has 8½ minutes remaining.

Mr. POMEROY. Mr. Speaker, I yield 1½ minutes to the gentleman from Massachusetts (Mr. NEAL).

Mr. NEAL. Mr. Speaker, today we debate the Republican proposal to permanently repeal the estate tax, yet another bill that favors the wealthiest of the wealthy at a time when America is faced with increasing deficits.

Can we do more for the rich than we are going to do this afternoon when they pass this legislation?

This is a recipe for fiscal meltdown. According to the Joint Committee on Taxation, permanent repeal would result in a $740 billion loss to the Treasury, when we instead should be supporting Social Security, fixing Medicare, spending some money on defense and spending some money on education and the environment.

Mr. Speaker, today is the 58th anniversary of D-Day, the World War II allied invasion of Europe in which thousands of American troops sacrificed their lives for freedom. Americans are once again sacrificing right now, even as we take on this debate. But what is our answer? We are going to dole out more tax cuts to billionaires, who, by the way, were not even asking for it, and asking hard-working middle income taxpayers to pick up the difference.

If they had not thrown procedural roadblocks in our way, we could have used $4 billion from tax savings from the corporate expatriate bill the gentleman from Connecticut (Mr. MALONEY) and I have, and we could have used it to immediately pay for the estate tax exclusion offered by Mr. POMEROY.

What is the new campaign slogan in this institution, ''I'm rich and I'm not going to take it any more''?

□ 1530

Mr. Speaker, can we do more for the wealthy than we do here day in and day out? This party used to be the party of Teddy Roosevelt. This used to be a party that did more for the environment and stood for fairness in American life. Now it is day after day, what more can I do for the wealthy. Well, it will be done without my help today.

Ms. DUNN. Mr. Speaker, I yield 2 minutes to the gentleman from Oklahoma (Mr. SULLIVAN).

Mr. SULLIVAN. Mr. Speaker, I would like to voice my voice for the Permanent Death Tax Repeal Act and against the Democrat substitute.

Last spring, Congress passed the Economic Growth and Tax Relief Reconciliation Act of 2001. This act provided $1.35 trillion in tax relief over the next 10 years. The death tax passed last year will be phased out over the next 9 years and will disappear completely in the 10th year. This means after December 31, 2010, the death tax will return in full, beginning January 1, 2011.

In other words, if this bill is not enacted, families who lose a loved one on December 31, 2010, will pay no death tax; but families who lose a loved one on the next day will pay a massive death tax, as high as 60 percent in some cases. The death tax is perhaps the most morally reprehensible tax levied by the Federal Government.

The death tax is the number one reason small business and minority-owned businesses and family farms are broken up and sold to large corporations, destroying thousands of jobs in the process. The Democrat substitute amendment would establish a fixed $3 million exemption equivalent that is not indexed for inflation. The relative value of the exemption equivalent will decrease over time as a result of inflation and more families will be subjected to the effects of the death tax. The substitute amendment eliminates the benefits of the graduated estate tax rates. The entire estate above the $3 million exemption equivalent will be taxed at 50 percent. That does not appear to sound like sound tax policy. We must vote down the Democrat substitute, pass the permanent death repeal, and guarantee the relief that we promised last spring.

Mr. POMEROY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the substitute makes the estate tax go away for the small businesses and farmers with assets below $6 million for couples effective January 1, 2003. The proposal by the Republican Party does nothing until 2011.

Mr. Speaker, I yield 1½ minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Speaker, I am from Texas, and I want to announce that family farms are taken care of with the Pomeroy substitute.

First of all, I think we should understand the distinction. We are talking about reform of the estate tax. We are talking about uplifting the American people. Members over here are talking about deeper and deeper in debt, and forever closing the door for providing this Nation with the ability to fight terrorism around the world.

Let me suggest that with the repeal of the estate tax we will be losing $55 billion in 2012. But, really, what is more important, what is more shocking is only 2 percent of Americans pay estate taxes. Listen to what we are talking about, America. We are talking about providing Americans with immediate protection of $6 million by January 2003. Immediate protection.

We are talking about protecting small businesses, our neighbors and friends, our family farms. We are talking about protecting Americans. While those who want to stand in the storehouse of wealth and dig and dig and dig so that Medicare can tumble, so that Social Security can tumble, we want reform, not elimination. They want to totally repeal the estate tax so we are undermined and, therefore, the money we are spending in Afghanistan, which is $1 billion a month helping us fight the war against terrorism in Afghanistan. It is not going to end soon.

Yet the other side of the aisle says there is money to repeal the estate tax for the wealthy and the big of mind and not of heart. Let us support the Pomeroy substitute, which believes in reform and puts money on the table of family farms and small businesses.

Ms. DUNN. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, I think it is very tragic we are hearing this number of 2 percent of people who die, have estates that are taxed under the death tax. That does not take into consideration the numbers of small businesses that are sold and the dollars that are taken out of this economy to pay for CPAs and estate tax planners and to purchase life insurance policies. We do not see the results of those figures in the 2 percent number which came from I do not know where many years ago.

Mr. Speaker, I yield 1½ minutes to the gentleman from Colorado (Mr. HEFLEY).

Mr. HEFLEY. Mr. Speaker, responding to the gentlewoman, a recent study has shown that death tax repeal would not increase the deficit. A 1999 study showed that it decreased the economic growth that would come from repeal of the death tax, and would lead to Federal revenue gains within 7 years of the death tax repeal.

In the long run, the economic activity would increase the income, not decrease it. But the death tax affects real live hard-working people. I have some friends in Colorado Springs who started out 60 years ago or so with one little lumberyard. Over the years, three generations have built that one little lumberyard, started with nothing, built that one lumberyard into a multi-lumberyard system throughout southern Colorado. It was a home-grown business which was very successful. Recently, they sold it even though the children of the owners worked in the business and wanted to continue to work in the business, but they sold it because they could not afford the death tax that they would have to pay in the future.

Colorado is a State mostly of small farms, ranches, and small businesses. The heirs should not have to sell the business of the farm in order to pay the tax.

The $6 billion in the substitute, these people were successful. Members say we are helping the rich here, but by gosh, they earned it. It is their money. They paid taxes on it. It is wrong to tax them again when they die, or to make them sellout in order to pay the taxes when the heirs inherit the money.

Mr. POMEROY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman speaks passionately about his constituents, but the reality is under the proposition the gentleman stands for, estates over $2 million will be taxed next year. Under our substitute, no estate tax for couples with assets $6 million and under.

Mr. Speaker, I yield 2 minutes to the gentlewoman from California (Ms. PELOSI), the minority whip.

Ms. PELOSI. Mr. Speaker, I thank the gentleman for yielding me this time and for his leadership for this important alternative that is being presented on the floor today, the Pomeroy-Thurman substitute. I also thank the gentleman for his championship on issues that are of concern to America's farmers. Every day he is here, he fights for them. Every day he is here, we learn from him about how to help America's farmers; and that is what he does in this Pomeroy-Thurman substitute.

I rise in support of the substitute and commend the gentleman from North Dakota (Mr. POMEROY) and the gentlewoman from Florida (Mrs. THURMAN).

Mr. Speaker, we take this bill up at a time when our young men and women are abroad defending our Nation against further terrorist attacks; yet the Republican leadership is undermining our security at home by passing yet another irresponsible tax bill. Make no mistake about it, the bill undermines our Nation's security. It will rob us of the resources we need to defend our country. It will rob us of the money we need to protect Social Security.

The bill does not even repeal the estate tax until 2011, and it will actually increase capital gains tax on the various estates that they claim to help by eliminating the stepped-up basis consideration. Their bill costs more than $1 trillion, and it will raid the Medicare and Social Security trust funds at the exact moment the baby boomers begin to retire.

In contrast, our Democratic estate tax relief bill offers real reform, and it brings much greater and more relief to family farmers and small businesses than theirs. Beginning January 1, 2003, the exemption from estate tax would jump to $6 million per couple, an exemption of $6 million per couple in the Pomeroy-Thurman substitute. Americans with $6 million who die pay no taxes. If Members are worried about people above that level, we are talking about half a percent of the American people. Those estates will get hit with higher capital gains taxes than they do under the Republican bill.

It is very simple. If an estate is less than $6 million, that person would definitely want the Democratic bill. You will pay no estate tax effective January 1, 2003.

Mr. Speaker, I will submit the rest of my statement for the RECORD. I urge Members to do the right thing by 99.7 percent of the American people and vote for the Pomeroy-Thurman substitute.

Ms. DUNN. Mr. Speaker, I yield 1 minute to the gentleman from Indiana (Mr. PENCE).

Mr. PENCE. Mr. Speaker, I rise in strong opposition to the substitute. Mr. Speaker, there is really no substitute for the truth. A year ago with overwhelming support among the American people, this Congress sent to the President's desk a tax cut. We will celebrate the anniversary of the signing tomorrow.

In that tax cut we advertised to the American people that we repealed death taxes; and when virtually every Member of this institution went home, some constituent thanked them for ending death taxes.

But hopefully, many, as I did, were honest with their constituents and said, Well, not entirely. We actually only repealed it until some magic day in the year 2011 when it springs back to life because of an arcane rule in the Senate.

We must reject the substitute today on behalf of small businesses and family farms. We ought to do no less today than what we told the American people we were doing, repealing and ending death taxes once and for all.

Mr. POMEROY. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, there is a fundamental difference between the relief proposed by the substitute and the relief proposed in the underlying bill. We bring relief to American families effective January 1, 2003. There is nothing by way of effect from the underlying bill until the year 2011, several Congresses away.

This majority who says do not trust government would ask those looking for estate tax relief to trust the next three sessions of Congress before they would get relief under their proposal. American families deserve to know with clarity where estate tax commitments begin, and we would set that obligation at $6 million per couple, making the estate tax effectively repealed for 99.7 percent of our families.

There is a cost difference as well. Over the next 10 years, theirs cost $99 billion. In the deficit situation, we know that that requires Social Security revenues to be diverted to fund other functions of government. The cost under our bill is $5 billion, and it would have been zero if they would have left the offsets in that we initially sought.

But the dramatic problem under their bill is the next decade, because the costs explode thereafter. Just at the time baby boomers retire and the Social Security taxes drop precipitously, the cost of their bill explodes.

There is only one conclusion we can draw from this chart, and that is this X represents a financial catastrophe that will befall our country leading to higher payroll taxes for our children and benefit cuts for Social Security recipients. There is a better way, and that way is the substitute, which provides relief now on the estate tax hit.

□ 1545

Look at the comparison in terms of relief offered under our substitute compared to the majority: $6 million and below, no estate tax under our bill; their bill, $2 million. Our bill, $6 million and thereafter. In 2004, $3 million. You have an estate tax problem. In 2005, $3 million. You have an estate tax problem. In 2008, $4 million. You have an estate tax problem, under their bill.

All day we have heard from the majority about farms, small businesses. You would think that help was on the way from their legislation, but there is nothing their legislation does until the year 2011 to bring relief to those they spoke so passionately for. We need to pass the substitute to get that help out there, get that help out there now, make estate tax go away for families with $6 million and below. That takes care of 99.7 percent of the families in this country, and we just think it is fundamentally wrong to hold up estate tax relief for 99.7 percent because they want to take care of just the wealthiest few beyond that.

Mr. Speaker, I, in conclusion, strongly urge passage of the substitute and defeat of the underlying legislation in the event the substitute does not prevail.

Ms. DUNN. Mr. Speaker, to close debate, I am proud to yield the balance of my time to the gentleman from Texas (Mr. ARMEY), the majority leader of the United States House of Representatives.

The SPEAKER pro tempore (Mr. SIMPSON). The gentleman from Texas is recognized for 3½ minutes.

Mr. ARMEY. Mr. Speaker, I thank the gentlewoman for yielding time, and I thank the gentlewoman for her continued work in this area.

Mr. Speaker, the gentlewoman from Washington would be the first to tell you that the reason so many of us remain so committed to the end of the death tax is that we think it is wrong. We think murder is wrong. We think stealing is wrong. We think robbery is wrong. And we do not think it is wrong for 99 percent of the population; we think it is wrong for 100 percent of the population.

We are not content to say, Let's correct this wrong for most of the people and leave others behind. We are saying, Let's correct this wrong for everybody. It is wrong to steal a family's legacy. The Federal Government of the United States should not be the world's largest and most aggressive grave robber. It is time to end this practice.

Let us take a look at what this means. Mr. Speaker, I grew up in a small rural agricultural community. I know a little bit about what we call the small family farm. Mr. Speaker, let us talk for a moment about a small family farm that has $4 million worth of assets. That seems like a lot on the surface of it, but let me just say that $4 million worth of assets represents, in this case, the family's business and the family's home. I do not know how large

a farm a small family farm worth $4 million would be in the gentleman from North Dakota's home State; but I do know that down in Texas, we would think of that as a mighty fine little old spread, not something big, but something that a family might be able to make a living off of. $4 million.

What do the facts tell us? The small family farm with assets valued at $4 million will generate about $35,000 a year income. That family is not getting rich, Mr. Speaker. And throughout all the years that that family lives off that farm, farms that land and makes that meager living of $35,000-a-year income, that family will pay about $4,200 a year in taxes. And nobody, nobody, would characterize that family as among the Nation's richest people. In fact, there are some Members of this Congress that would even vote additional Federal support for that family, and have done so. Certainly they would not think of them as rich people.

We are told as children in America, we should not harm people. We are also told to not add insult to injury. Let me say that should the patron of this family that has worked so hard to raise his children on this modest farm, on his $35,000-a-year income, should he die, he would be done the harm of having his property expropriated before it could be turned over to his children to the tune of $1,400,000. That is harm.

But on top of that, he would be afflicted with additional insult. Because on the day that that poor, hard-working small family farmer in America, laboring as he did all those years to raise his children on that mere $35,000-a-year annual income, on the day he died, there would be some in this body that would declare him as being wealthy and undeserving and meritorious of having his property expropriated. On that day, he would be insulted. He would say, as Tevye wished in ''Fiddler on the Roof,'' Today I am a rich man. The government just made me such. The government declared me rich so they could steal my property from my children.

Mr. Speaker, that is wrong. This is a good government. It should be a just government. It should be a government that knows the goodness of the American people and has the decency to respect it. It should be a government that does not steal a hard-working family's legacy from that family's children. There is down in Texas a great country western song, and it celebrates the fact that daddy won't sell the farm. We enjoy that song. There is a lot of toe-tapping that goes on. But it breaks our heart because we know that in point of fact when daddy dies, the farm will be sold so daddy's children can pay tribute to an unfair and undeserving government.

It is time, Mr. Speaker, to end that. Let us dare to honor our Nation's children as they are honored by our Nation's parents as they build a legacy of success and give that at the time of their death to the people who truly deserve it, the children they love so much. Mr. Speaker, we have a lot of resources on which we can draw here in Washington. It might be that it would do us well to use those resources more prudently so we could save ourselves the embarrassment of stealing another man's legacy.

Mr. LEACH. Mr. Speaker, I favor reform of the estate tax to protect family farmers and small businesses, but I have grave qualms about its elimination for super-sized estates. What is credible is an increase in the estate tax exemption to $5 or 10 million. What is undue and unfair is the elimination of the tax on huge estates.

From a legislative perspective, the circumstance is clear cut. The House has the option of passing an approach which the Senate will ignore or it can pass a credible reform which has a chance of becoming law and taking effect this year.

The Democratic alternative to the House Republican position is not sufficiently progressive, but passage of the $3 million exemption it calls for would be a significant improvement on the current circumstance and holds the prospect of immediate compromise with the Senate at a somewhat higher level. The problem with current law, which the bill before the House today would make permanent, is that it provides for a sudden elimination of all estate taxes in the year 2012, but because of its graduated provisions does not allow for the estate tax exemption to reach $3 million until 8 years from now.

The American market system works best as a meritocracy. What will be created with the elimination of estate taxes on super-sized estates is a monied oligarchy. This is neither good for our economy nor our democracy.

Mr. KIND. Mr. Speaker, I rise today in strong support for making estate tax relief permanent so that family-owned farms and family-owned businesses can be passed down from generation to generation. Further, I support tax relief that helps spur small business investment and job growth.

Family-owned businesses should not be punished for being successful or for having their owners pass away. Fundamentally, the United States is the land of opportunity, encouraging free enterprise and rewarding entrepreneurs. The estate tax should be modified to protect family-owned businesses and family farms from the threat of having to be sold just to pay the tax.

Therefore, I am supporting the substitute being offered by my good friend Mr. POMEROY. His legislation will immediately help the small businesses and family farms by increasing the estate tax exemption to $3 million for individuals and $6 million for couples. This will ensure that estates that are $6 million or less for a couple or $3 million for an individual will pay no estate taxes beginning January 1 of 2003. This is a meaningful exemption that picks up all but a few taxable estates. In fact, only 0.36 percent of estates remaining will be required to pay the tax.

At a time of national crisis that calls for shared sacrifice, the leadership wants to make the repeal of the estate tax, that benefits less than one percent of taxpayers, permanent in 2012. This will drain more than one trillion dollars from the budget just as the Baby Boom's retirement reaches full force; making the estate tax repeal permanent alone would cost 40 percent of the amount needed to make Social Security financially sound for the next 75 years.

Last year we passed a budget that boasted a ten-year unified surplus totaling $5.6 trillion, which included repeal of the estate tax until 2011. The leadership claimed that an expensive tax cut plan and other costly initiatives were eminently affordable and there would be enough of the budget surplus to eliminate most or all of the national debt. Thus Congress passed a tax cut costing over $1.3 trillion. Unfortunately, since then, the budget surplus has disappeared, due to the war on terrorism, increased homeland security, and the large tax cut. This year's deficit will be nearly $314 billion and over the next ten years, the non-Social Security deficit will total $2.6 trillion.

After decades of deficit spending, it is our responsibility to reduce the debt future generations will inherit. We must give them the capability and flexibility to meet whatever problems or needs they face. I cannot, in good faith, support legislation that will put our country further into deficit spending with a tax cut that will hurt our future generations for the unforeseeable future, including my two little boys.

Tax relief, however, is a bipartisan issue. I am cosponsor of H.R. 1210, the Family-Owned Business Survival Act. This bill would repeal the limitations on the estate tax deduction for family-owned business interests. My colleagues on both sides of the aisle recognize the need for providing estate tax relief, but this bill is not the result of bipartisanship. The tax cut passed last year has already derailed the opportunity we had to reduce our large national debt and prepare for our future obligations to our aging population and children's futures. Making this repeal permanent will only further exasperate our nation's poor fiscal health.

Mr. Speaker, now is not the time for leadership to pursue its own individual agenda to score political points in an election year. This is purely a symbolic vote timed as millions of Americans begin to consider the candidates in the fall elections.

I urge my colleagues to oppose this fiscally irresponsible tax cut and support the Pomeroy alternative. Unlike the leadership's bill, the alternative will give immediate relief to our family business and family farmers and will cost less than one-half of H.R. 2143. We must shore up Social Security and Medicare and reduce the national debt before passing such an expensive tax cut that we cannot afford. I did not come to Congress to saddle my two boys with a debt burden they did not create.

Mr. PASTOR. Mr. Speaker, I rise today in support of the Substitute Amendment offered by Mr. POMEROY and in opposition to the base bill, H.R. 2143.

Let me make it perfectly clear. I support an adjustment to the Estate Tax, but I believe we should address this tax in a responsible and meaningful manner. If you are a supporter of H.R. 2143, there is no reason for having this debate or this vote at this time. H.R. 2143 is an effort to fix a problem that does not happen, if it happens at all, for nine years. But the Substitute will provide immediate relief.

Earlier in this Congress, I supported a proposal which would have immediate and lasting benefit for family owned small businesses and family owned farms. The Substitute is a similar proposal, and if we are interested in helping

people, people who have just lost their loved ones and are facing the responsibility of paying an estate tax, we should pass the Substitute.

The Substitute would immediately eliminate the Estate Tax for all but one percent of the estates in the country. It does so by increasing the estate tax exclusion to $6 million effective on January 1, 2003. Under current law and H.R. 2143 this does not occur until sometime in 2009. If we really want to have an impact on people who are facing an estate tax that could cause them to lose their family business or family farm, we should do something to help them right now.

My other concern with H.R. 2143 is that we face a much different fiscal world than we did when the so-called Economic Growth and Tax Relief Reconciliation Act was passed last year. Before this $1.35 trillion tax cut passed and was signed by the President, there was a projected ten year budget surplus of more than $5 trillion. Now, after the tax cuts, the economic slowdown, and the terrorist attacks of September 11, it is estimated that we will have a deficit of more than $100 billion just this year. And there are budget deficits stacked up in the out years as far as the eye can see.

This bill, H.R. 2143, will cost $55.8 billion in Fiscal Year 2012 alone, its first year of full implementation. And during the following decade, its negative economic impact to the Federal budget will be more than $1 trillion. It does nothing to relieve the family farmer or the family businessman until then. So if you have a small or medium size business or a family farm, you should do your best to postpone dying until 2012.

Nevertheless, even with these budget concerns, I believe it is important to give some immediate hope and relief to the hard working small businessman and his survivors. That is why I urge my colleagues to support the Substitute Amendment offered by Mr. POMEROY.

MR. DELAHUNT. Mr. Speaker, two years ago, I was one of the few Democrats to join with my friends across the aisle to support legislation to repeal the federal estate tax. I did so because I believed that this tax burdens small business and family farms to unfairly that it puts our overall economy at risk. I still believe that. And that is why I will today vote in support of the Democratic substitute.

The estate tax is wrong. At a time when small firms are already buffeted by all kinds of economic uncertainties, the last thing they need is more trouble from federal tax policy. When we debated this question in 2000, I supported the majority bill because, overall, it was better than existing law. The committee bill before us today does not meet that standard.

At the very moment we are struggling with mounting deficits and the growing cost of national security, we're asked to lock in—permamently—changes in the tax code that will cost the Treasury billions.

As one who voted to repeal the estate tax, I think I'm entitled to wonder aloud: ''what's the urgency?'' The effective date of the bill is nine years away. Who knows what might happen between now and then? At the very least, can we win the war on terrorism first?

As one who voted for estate tax repeal, I think I'm entitled to ask: what constituency was this debate concocted to impress? Because it's clear to me that this measure hurts many of the same people its proponents claim to be helping. Under this bill, many Americans would never reap the promised benefits, even upon its full and permanent repeal in ten years.

Because for all the talk about tax relief, this bill actually raises taxes. Sure, it eliminates the estate tax. But not before changing the rules to cost the middle class, and the upper middle class, a lot more in capital gains taxes.

Here's why. Traditionally, inherited property was assessed at its value at the time of death—so-called ''stepped-up basis''. That changed in the Republican ''reforms'' of 2001. Now, it's assessed at its value at the time of its original purchase. The bill before us now seeks to make that change permanent.

For most Americans with assets to pass on to their kids, eliminating ''stepped up'' basis is a killer.

Take my own congressional district. If you bought a home in 1970 in Duxbury or Chatham, chances are pretty good that it's gone up—maybe tripled or quadrupled in value—in the years since. The Republicans will tell you that you can go ahead and pass your home on to your children without worrying about the estate tax. But they probably won't tell you that instead your kids will probably owe a boatload in capital gains taxes. The same goes for stocks, bonds and other assets.

There's no rational reason for this, and the Democratic substitute would restore stepped-up basis. While offering relief to 99.6 percent of Americans now subject to the estate tax.

Mr. Speaker, I showed last year that I am willing to swim against the tide to get a good bill passed. Regrettably, this year's committee proposal is not that bill. I urge my colleagues to join with me instead in supporting the Pomeroy substitute.

Mr. KLECZKA. Mr. Speaker, last year, the estate tax provisions enacted in the $1.35 trillion Bush tax cut would gradually increase the value of estates that are exempt from taxation, until completely repeating the estate tax for one year only, 2010, after which the exemption would return to $1 million. At that time, these provisions were projected to cost nearly $80 billion over the first ten years.

The proponents of this misguided tax cut were confident back then that we would be awash in surpluses as far as the eye can see. But the bill before us today, H.R. 2143, seems to ignore our current budget situation; it would go ahead and permanently repeal the estate tax starting in 2011, even though the nearly $4 trillion in projected future surpluses has evaporated since the Bush tax cut was enacted.

The House Budget Committee's Democratic staff now estimates that this year's deficit alone, excluding Social Security Trust Fund surpluses, will be a whopping $314 billion. At this rate, over the next ten years, deficits could add up to a total of $2.6 trillion. I am told by many of those who are supporting this bill, that we are on a war footing, with many additional national expenses as a result.

Passing H.R. 2143 would not only squander the opportunities we now have to redirect our nation's fiscal course, but it would further exacerbate the financial predicament that we currently find ourselves in. Instead of reducing the level of future deficits, permanently repealing the estate tax would decrease future revenues by approximately $740 billion over a ten-year period, FY 2013 to FY 2022.

If the increased interest payments on the additional debt incurred because of this repeal are included, the effect on the budget is about $1 trillion taken away right at the time that Baby Boomers will start retiring and become eligible to receive Social Security and Medicare benefits.

Furthermore, the estate tax only impacts a very small number of people in the United States, or the wealthiest 2 percent. By reading the advertisements of groups who are feverishly lobbing for its repeal, one could easily get the impression that millions of people are stripped of their lifetime earnings upon death. In reality, this just isn't the case. In my home state of Wisconsin in 1998, there were a total of 45,000 deaths. Out of all those estates, only 828 paid an estate tax.

Many within this small group of wealthy Americans have actually been the first to come forward in defense of the estate tax. Last year, an organization called ''Responsible Wealth'' circulated a petition in support of reforming, but not eliminating, the tax. More than 1,100 business leaders and investors who will pay estate taxes in the future signed this petition, including George Soros, Ted Turner, and David Rockefeller Jr., along with hundreds of small-business owners who wealth totals between $1 million and $10 million.

Their approach toward this issue, reform rather than repeal, is a more sensible alternative. By raising the estate tax exemption to $3 million for individuals and $6 million for couples, the Democratic substitute would exempt 99.7 percent of all estates in America from the estate tax. Further, this exemption increase would go into effect on January 1, 2003, providing more immediate tax relief to family farms, small businesses, and homeowners than the Republican bill before us today.

The Democratic substitute also includes offsets, in order to help reduce the total cost of the proposal. Even without these offsets, the Democratic alternative would still cost less than one-half the cost of the Republican base bill.

Clearly, we owe it to our constituents to act in a fiscally responsible manner, and the Republican proposal to completely repeal the estate tax fails to meet this test.

Mr. ALLEN. Mr. Speaker, I rise in opposition to this bill.

The time has come for substantial estate tax relief.

We should increase the lifetime exclusion, reduce the tax rates and make special additional provisions for small businesses.

But we should not repeal the tax, because the world has changed. Surpluses have been transformed into deficits. The baby boom generation continues its relentless march toward qualifying for Social Security and Medicare. The threat of terrorism requires significant resources for defense and homeland security. Repeal would be irresponsible budgeting.

Today, we should be considering legislation to reform the estate tax.

We should reform the estate tax to reflect the extraordinary contributions family-owned businesses and farms make to our local communities.

In my state of Maine, small businesses are vital to the well-being of our communities. Those who own family farms and businesses often spend too much time and too much money in an effort to keep their farms and businesses intact for the next generation.

Full, immediate, and permanent repeal for family-owned small businesses would be wise policy.

Full, immediate, and permanent repeal for small businesses would let small businesses in Maine, like Brown Goldsmiths & Company, Lucas Tree, O'Donal's Nursery, and Hancock Lumber, keep their businesses in family hands.

Family owned businesses like these are often significant community employers. They contribute to our quality of life in ways that large publically held corporations can never match. Farms passed from one generation to another are less likely to be subdivided for residential development and, therefore, less likely to contribute to suburban and rural sprawl.

For these reasons, I urge my colleagues to support the Pomeroy and Thurman substitute. This amendment offers immediate and permanent estate tax relief beginning on January 1, 2003, by increasing the exemption to $3 million for individuals and to $6 million for couples. passage of this amendment would provide full relief to all but 0.3 percent of estates, and the increased exemption would reduce the tax even on these estates.

However, full repeal of the estate tax would represent a bonanza for a relative handful of wealthy individuals and jeopardize our ability to fund vital national priorities.

Last year, betting on a then projected $5.6 trillion in surpluses, the Republican controlled Congress passed a bloated tax cut that primarily benefits the top one percent of taxpayers. But the majority's repeal of the estate tax was itself repealed in 2001, in order to mask its devastating long term impact on the federal budget.

Today, the Republican controlled House wants to make permanent the repeal of the estate tax, even though repeal would erect a barrier to full funding of special education, a real Medicare prescription drug benefit, strengthening Social Security and even meaningful tax relief for middle and lower income Americans.

In Maine in 1999, about 200 estates would have benefitted by repeal of the estate tax. Yet all 1.2 million people in Maine will pay the price of repeal of this progressive tax with higher interest payments on the national debt and cuts in vital programs and services.

Debate over the estate tax is really about priorities.

Reform is about making fairness a top priority. It provides relief to those who need it.

Repeal is about making favoritism a top priority. It widens the growing disparity in incomes in this country.

Reform allows for the funding of top priorities. Repeal shortchanges important priorities.

President Theodore Roosevelt, in arguing for an estate tax, said, ''The really big fortune, the swollen fortune, by the mere fact of its size acquires qualities which differentiate it in kind as well as in degree from what is possessed by men of relative small means.''

Today, some Americans have fortunes beyond the imagination of Theodore Roosevelt. Others cannot afford their prescription medicines. Many find the doors of higher education closed to them because of the cost of attendance. Approximately 40 million Americans have no health insurance. In these circumstances, repealing the estate tax for multimillionaires is both irresponsible and unethical.

I urge my colleagues to vote against this bill and to vote for the Pomeroy/Thurman substitute.

Mr. UDALL of New Mexico. Mr. Speaker, I rise in support of the Pomeroy-Thurman alternative to the Republican Estate Tax Repeal extension. The alternative, crafted by the gentleman from North Dakota and the gentle lady from Florida, offers immediate and permanent estate tax relief beginning January 1, 2003 by increasing the exemption to $3 million for individuals and to $6 million for couples. It is a balanced plan that will protect the few small business owners and farmers that are ever subject to this tax.

In this time of deficits and pressing national needs like homeland security, Social Security and Medicare, should we be directing a costly tax cut only toward our wealthiest citizens? Under current law, estates of up to 43.5 million for any individual or $7 million for a couple will be exempt from any estate tax when reform is fully implemented in 2009. According to current estimates, only 22 estates in my home state of New Mexico would be subject to this progressive tax by 2009. The average worth of those estates is $18.6 million.

It is completely unacceptable in a time of war to pass a permanent tax break for the nation's wealthiest Americans. In every other war in American history taxes have been raised to help the effort. Tragically, the House leadership and the Bush administration appear to be charting precisely the opposite course.

And, what about the nation's other needs? Where will the money come from to improve education, provide prescription drug coverage, and strengthen national defense? Where will the money come from to pay down our long-term national debt? We've got to save and invest now to strengthen the economy for the future, keep Social Security and Medicare solvent, and prevent far more difficult choices down the road.

Of all the urgent problems and commitments facing the nation right now, the sunset of last year's repeal of the estate tax nine years from now should not be at the top of the list. A far more responsible use of our time would be to begin to recognize new realities and craft a bipartisan budget plan to return to the long-term surpluses that were so hastily squandered last year.

I urge my colleagues to join with me and vote no on permanent estate tax repeal, and yes for responsible reform.

The SPEAKER pro tempore. All time for debate on the amendment has expired.

Pursuant to House Resolution 435, the previous question is ordered on the bill and on the amendment in the nature of a substitute offered by the gentleman from North Dakota (Mr. POMEROY).

The question is on the amendment in the nature of a substitute offered by the gentleman from North Dakota (Mr. POMEROY).

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. POMEROY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 197, nays 231, not voting 7, as follows:

[Roll No. 217]

YEAS—197

Ackerman
Allen
Baca
Baird
Baldacci
Baldwin
Barcia
Barrett
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boyd
Brady (PA)
Brown (FL)
Buyer
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Castle
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Crowley
Cummings
Davis (CA)
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank
Frost
Gephardt
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Hall (TX)
Harman
Hastings (FL)
Hill
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
LaFalce
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
Leach
Levin
Lipinski
Lofgren
Lowey
Lucas (KY)
Luther
Lynch
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Mink
Moran (VA)
Morella
Nadler
Napolitano
Neal
Oberstar
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Phelps
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Ross
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schiff
Scott
Sherman
Shows
Skelton
Slaughter
Snyder
Solis
Spratt
Stenholm
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Watt (NC)
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NAYS—231

Abercrombie
Aderholt
Akin
Andrews
Armey
Bachus
Baker
Ballenger
Barr
Bartlett
Barton
Bass
Biggert
Bilirakis
Blunt
Boehlert
Boehner
Bonilla
Bono
Boozman
Boucher
Brady (TX)
Brown (OH)
Brown (SC)
Bryant
Burr
Burton
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Chabot
Chambliss
Coble
Collins
Cooksey
Cox
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Doggett
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
English
Everett
Ferguson
Flake
Fletcher
Foley
Forbes
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas

Gibbons	LoBiondo	Schaffer
Gillmor	Lucas (OK)	Schakowsky
Gilman	Manzullo	Schrock
Goode	McCrery	Sensenbrenner
Goodlatte	McHugh	Sessions
Goss	McInnis	Shadegg
Graham	McKeon	Shaw
Granger	Mica	Shays
Graves	Miller, Dan	Sherwood
Green (WI)	Miller, Gary	Shimkus
Greenwood	Miller, George	Shuster
Grucci	Miller, Jeff	Simmons
Gutknecht	Mollohan	Simpson
Hansen	Moore	Skeen
Hart	Moran (KS)	Smith (MI)
Hastert	Murtha	Smith (NJ)
Hastings (WA)	Myrick	Smith (TX)
Hayes	Nethercutt	Smith (WA)
Hayworth	Ney	Souder
Hefley	Northup	Stark
Herger	Norwood	Stearns
Hilleary	Nussle	Stump
Hobson	Obey	Sullivan
Hoekstra	Olver	Sununu
Horn	Osborne	Sweeney
Hostettler	Ose	Tancredo
Houghton	Otter	Tauzin
Hulshof	Oxley	Taylor (NC)
Hunter	Paul	Terry
Hyde	Pence	Thomas
Isakson	Peterson (PA)	Thornberry
Issa	Petri	Thune
Istook	Pickering	Tiahrt
Jenkins	Pitts	Tiberi
Johnson (CT)	Platts	Toomey
Johnson (IL)	Pombo	Upton
Johnson, Sam	Portman	Vitter
Jones (NC)	Pryce (OH)	Walden
Keller	Putnam	Walsh
Kelly	Quinn	Wamp
Kennedy (MN)	Radanovich	Waters
Kerns	Ramstad	Watkins (OK)
King (NY)	Regula	Watson (CA)
Kingston	Rehberg	Watts (OK)
Kirk	Reynolds	Weldon (FL)
Knollenberg	Riley	Weldon (PA)
Kolbe	Rogers (KY)	Weller
Kucinich	Rogers (MI)	Whitfield
LaHood	Rohrabacher	Wicker
LaTourette	Ros-Lehtinen	Wilson (NM)
Lee	Royce	Wilson (SC)
Lewis (CA)	Ryan (WI)	Wolf
Lewis (KY)	Ryun (KS)	Young (AK)
Linder	Saxton	Young (FL)

NOT VOTING—7

Combest	Lewis (GA)	Traficant
Emerson	Roukema	
Gilchrest	Serrano	

□ 1615

Mr. JONES of North Carolina, Mrs. JO ANN DAVIS of Virginia, Mr. WELLER, Mr. MCINNIS, Ms. WATERS, and Messrs. SMITH of Washington, OLVER, and STARK changed their vote from ''yea'' to ''nay.''

Mr. JOHN changed his vote from ''nay'' to ''yea.''

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

Stated against:

Mr. BUYER. Mr. Speaker, on rollcall No. 217. I inadvertently voted "yea." I meant to vote "no." I have been a strong supporter of eliminating the death tax.

The SPEAKER pro tempore (Mr. SIMPSON). The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. STENHOLM

Mr. STENHOLM. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman from Texas opposed to the bill?

Mr. STENHOLM. In its current form, I am.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. STENHOLM moves to recommit the bill H.R. 2143 to the Committee on Ways and Means with instructions to report the same back to the House forthwith with the following amendment:

At the end of the bill, add the following new section:

SEC. 3. TAX REDUCTIONS CONTINGENT ON NOT RAIDING SOCIAL SECURITY FUNDS.

(a) IN GENERAL.—No provision of this Act shall take effect unless, before January 1, 2003, the Director of the Office of Management and Budget certifies that the social security trust funds will not be raided (or the size of a raid on such funds increased) by reason of this Act during any year of the 10-year budget estimating period unless such raiding is thereafter offset under this Act so that there is no net raid of such funds during such 10-year period. For purposes of the preceding sentence, such funds shall be treated as raided during any year for which there is a deficit in the non-social security portion of the Federal budget.

(b) SECTION MAY NOT BE WAIVED.—The provisions of this section shall apply notwithstanding any other provision of law hereafter enacted which does not specifically refer to this section.

Mr. STENHOLM (during the reading). Mr. Speaker, I ask unanimous consent that the motion to recommit be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas (Mr. STENHOLM) is recognized for 5 minutes in support of his motion.

Mr. STENHOLM. Mr. Speaker, I yield myself 2½ minutes.

Mr. Speaker, I want the children of small business men and women to be able to inherit the family business that their parents worked to build. I want the children of farmers and ranchers to be able to inherit the farms and ranches that their family has farmed and ranched for years. That is why I voted for the Pomeroy-Thurman substitute, which would repeal the estate tax for virtually all small businesses and family farms immediately.

However, I also want our children and grandchildren to inherit a strong economy and a Federal Government that can meet its commitments for Social Security and Medicare, and I definitely do not want them to inherit a massive national debt and legacy of deficit spending. I do not understand the philosophy of folks who do not have a problem with leaving our children and grandchildren with a large debt just so we can have a tax cut or more spending today.

Just 2 weeks ago, the majority leadership tried to slip through a $750 billion increase in the debt limit, and completely ignored those of us who said that we ought to sit down and figure out how to get our budget back in order before we approve another $750 billion in debt. Instead of figuring out how we are going to stop the tide of red ink and stop spending Social Security surplus dollars, the majority leadership today has brought to the floor legislation that will add another $100 billion in debt borrowed from the Social Security trust fund.

This motion to recommit is very simple and very straightforward and reflects a principle that every Member of this body has solemnly vowed to protect, in fact, has voted on numerous times. The motion to recommit simply states that we should not fund the permanent repeal of the estate tax with Social Security surplus dollars. The motion to recommit will allow the estate tax repeal to take effect if we are able to afford it without using Social Security surplus dollars.

The cost of this bill in the second 10 years should give pause to everyone who is concerned about the challenges facing the Social Security system in the next decade: $1 trillion. Until we deal with the long-term financial problems facing Social Security, we need to be very careful about any tax or spending bills that would place a greater burden on the budget in the next decade when we baby-boomers begin to retire.

If Members believe that repeal of the estate tax is more important than reducing the national debt and protecting the integrity of the Medicare and Social Security trust funds, vote against this motion to recommit. However, if Members agree with the principle that reducing the national debt and protecting Social Security and Medicare is more important than any new spending or tax cuts, then vote for this motion to recommit.

Mr. Speaker, I yield the balance of my time to the gentlewoman from Florida (Mrs. THURMAN).

Mrs. THURMAN. Mr. Speaker, I thank the gentleman from Texas for yielding time to me.

Mr. Speaker, I strongly support this motion to recommit. We know that we cannot pass this bill without invading the trust funds and breaking the promises made to the American people. We have been down this road before. Last year, the press reported on a Republican memo that said, we are possibly already into the Medicare trust fund and are also very close to touching the Social Security surplus in fiscal year 2003. That statement was true last year; it is more true today.

Do Members not realize that we are in a war on terrorism? Yet the majority insists on bringing up bills that reduce revenues needed for the fight and for our domestic needs. Where are the funds for the education bill? How many children are Members leaving behind so a few millionaires can move forward? What happens to Social Security reform, or a Medicare prescription drug benefit? The answer is, nothing, because we do not have any money left for them.

All of these are important priorities, but not as important as the promise we

made to protect the trust funds. Virtually every Member on this floor has voted at one time or another to protect the trust funds. That is the promise they made to the American people.

If Members reject this motion, then they should go home and explain to their constituents that what they were told would be there for them will not be there. If Members break their promises and raid the trust funds, then tell our children and seniors to look out for themselves.

If Members want to keep our promises to all Americans, then support this motion to recommit. Otherwise, tell them that H.R. 2143 is just the latest answer to the question raised by William H. Gates, Sr.: How high a price is America willing to pay in order to give a handful of millionaires and billionaires a tax break?

Please support the motion to recommit.

Mr. THOMAS. Mr. Speaker, I rise in opposition to the motion to recommit.

The SPEAKER pro tempore. The gentleman is recognized for 5 minutes.

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in terms of that honest, pleading appeal, I am going to just try to put a couple of tests in place to see how real it was.

If this motion to recommit is so critical to the future of the Social Security trust fund, why was it not in the Pomeroy substitute? 190 Democrats less than a half an hour ago voted to raid the Social Security trust fund. The Pomeroy substitute spends more than $22 billion over the next 5 years. It violates the budget, and it runs us into deficit spending, and it violates this motion to recommit.

So if Members are so concerned, why was this not part of the Pomeroy substitute? The answer is, they want to complain about it but they do not want to be responsible for it.

Less than a week ago we had many Democrats on the floor wringing their hands over the constitutional crisis; that if we sent the executive branch the superwaiver in the welfare bill, that we would be ceding constitutional authority to the executive, constitutional authority that we should cling to our chests very, very hard because we do not want to give up this constitutional right.

Did Members read this? It says, ''The director of Office of Management and Budget will certify.'' It is the executive branch that will tell us if this institution, with its constitutional powers, is in violation, and it is the OMB that will correct it. I find it ironic that within a week, they take a position which was an absolute constitutional prerogative and throw it in here as the way in which we are going to control the process.

I guess the thing that gets me the most is 190 Democrats just voted to violate this motion to recommit; and, without a second thought, they offer this motion to recommit. That kind of tells us about how sincere these Members are.

PARLIAMENTARY INQUIRY

Mr. STENHOLM. Parliamentary inquiry, Mr. Speaker.

The SPEAKER pro tempore. The gentleman will state it.

Mr. STENHOLM. Mr. Speaker, is it not correct that under the rules of the House that we are operating under today that we did attempt to have a pay-for?

And I would also state to my friends on the other side that I would have offered this amendment to the Pomeroy amendment.

The SPEAKER pro tempore. The gentleman is not stating a proper parliamentary inquiry.

Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. STENHOLM. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to clause 9 of rule XX, the Chair will reduce to 5 minutes the minimum time for any electronic vote on the question of passage.

The vote was taken by electronic device, and there were—ayes 205, noes 223, not voting 7, as follows:

[Roll No. 218]

AYES—205

Abercrombie
Ackerman
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barrett
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Crowley
Cummings
Davis (CA)
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank
Frost
Gephardt
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Harman
Hastings (FL)
Hill
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
LaFalce
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Leach
Lee
Levin
Lipinski
Lofgren
Lowey
Luther
Lynch
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Mollohan
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Phelps
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Ross
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Schiff
Scott
Sherman
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Waters
Watson (CA)
Watt (NC)
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOES—223

Aderholt
Akin
Armey
Bachus
Baker
Ballenger
Barcia
Barr
Bartlett
Barton
Bass
Bereuter
Biggert
Bilirakis
Blunt
Boehlert
Boehner
Bonilla
Bono
Boozman
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Coble
Collins
Cooksey
Cox
Cramer
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
English
Everett
Ferguson
Flake
Fletcher
Foley
Forbes
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gillmor
Gilman
Goode
Goodlatte
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (TX)
Hansen
Hart
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hyde
Isakson
Issa
Istook
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Latham
LaTourette
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (KY)
Lucas (OK)
Manzullo
McCrery
McHugh
McInnis
McKeon
Mica
Miller, Dan
Miller, Gary
Miller, Jeff
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Osborne
Ose
Otter
Oxley
Paul
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Reynolds
Riley
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Royce
Ryan (WI)
Ryun (KS)
Saxton
Schaffer
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Stearns
Stump
Sullivan
Sununu
Sweeney
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Upton
Vitter
Walden
Walsh
Wamp
Watkins (OK)
Watts (OK)

Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOT VOTING—7

Combest
Emerson
Gilchrest
Lewis (GA)
Roukema
Serrano
Traficant

□ 1645

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. SIMPSON). The question is on passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. GEORGE MILLER of California. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 256, noes 171, not voting 8, as follows:

[Roll No. 219]

AYES—256

Abercrombie
Aderholt
Akin
Armey
Bachus
Baker
Ballenger
Barcia
Barr
Bartlett
Barton
Bass
Berkley
Berry
Biggert
Bilirakis
Bishop
Blunt
Boehlert
Boehner
Bonilla
Bono
Boozman
Boswell
Boucher
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Carson (OK)
Castle
Chabot
Chambliss
Clay
Clement
Coble
Collins
Condit
Cooksey
Costello
Cox
Cramer
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Dooley
Doolittle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
English
Everett
Ferguson
Flake
Fletcher
Foley
Forbes
Ford
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gillmor
Gilman
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (TX)
Hansen
Harman
Hart
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hinojosa
Hobson
Hoekstra
Holt
Hooley
Horn
Hostettler
Hulshof
Hunter
Hyde
Isakson
Israel
Issa
Istook
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Lampson
Larsen (WA)
Latham
LaTourette
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (KY)
Lucas (OK)
Maloney (CT)
Manzullo
Matheson
McCarthy (NY)
McCrery
McHugh
McInnis
McIntyre
McKeon
Mica
Miller, Dan
Miller, Gary
Miller, Jeff
Moran (KS)
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Osborne
Ose
Otter
Oxley
Paul
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Reynolds
Riley
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Royce
Ryan (WI)
Ryun (KS)
Sandlin
Saxton
Schaffer
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Stearns
Stump
Sullivan
Sununu
Sweeney
Tancredo
Tanner
Tauzin
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Upton
Vitter
Walden
Walsh
Wamp
Watkins (OK)
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOES—171

Ackerman
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barrett
Becerra
Bentsen
Bereuter
Berman
Blagojevich
Blumenauer
Bonior
Borski
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Cardin
Carson (IN)
Clayton
Clyburn
Conyers
Coyne
Crowley
Cummings
Davis (CA)
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Doyle
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Frank
Frost
Gephardt
Gonzalez
Green (TX)
Gutierrez
Hall (OH)
Hastings (FL)
Hill
Hilliard
Hinchey
Hoeffel
Holden
Honda
Houghton
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
LaFalce
Langevin
Lantos
Larson (CT)
Leach
Lee
Levin
Lipinski
Lofgren
Lowey
Luther
Lynch
Maloney (NY)
Markey
Mascara
Matsui
McCarthy (MO)
McCollum
McDermott
McGovern
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Mollohan
Moore
Moran (VA)
Morella
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sawyer
Schakowsky
Schiff
Scott
Sherman
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Stupak
Tauscher
Taylor (MS)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Waters
Watson (CA)
Watt (NC)
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOT VOTING—8

Capuano
Combest
Emerson
Gilchrest
Lewis (GA)
Roukema
Serrano
Traficant

□ 1655

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 2143, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the House by Ms. Wanda Evans, one of his secretaries.

THE JOURNAL

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the pending business is the question of the Speaker's approval of the Journal of the last day's proceedings.

Pursuant to clause 1, rule I, the Journal stands approved.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 4865

Mr. PLATTS. Mr. Speaker, I ask unanimous consent to have my name removed as a cosponsor of H.R. 4865.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

LEGISLATIVE PROGRAM

(Ms. PELOSI asked and was given permission to address the House for 1 minute.)

Ms. PELOSI. Mr. Speaker, I am pleased to yield to the gentleman from Missouri (Mr. BLUNT) to talk about the schedule for next week .

Mr. BLUNT. Mr. Speaker, will the gentlewoman yield?

Ms. PELOSI. I yield to the gentleman from Missouri.

Mr. BLUNT. Mr. Speaker, I thank the gentlewoman for yielding.

Mr. Speaker, I am pleased to announce that the House has completed its legislative business for this week. The House will next meet for legislative business on Tuesday, June 11, at 12:30 p.m. for morning hour and 2 o'clock for legislative business. The majority leader will schedule a number of measures under suspension of the rules, a list of which will be distributed to Members' offices tomorrow. Recorded votes will be postponed until 6:30 p.m. on Tuesday.

On Wednesday, the House will meet at 10 a.m. for legislative business and immediately recess. The House will reconvene at 11 a.m. in a joint meeting with the Senate for the purpose of receiving the Honorable John Howard, Prime Minister of Australia.

Later on Wednesday and then on Thursday, the majority leader has

scheduled House Joint Resolution 96, the Tax Limitation Constitutional Amendment; and H.R. 4019, the Permanent Marriage Penalty Relief Act of 2002. The Speaker also advises me that he expects to be ready to name conferees for both the Bipartisan Trade Promotional Authority Act and the Securing America's Future Energy Act. So we anticipate scheduling these motions to go to conference next week as well.

I thank the gentlewoman for yielding.

Ms. PELOSI. Mr. Speaker, reclaiming my time, I would like to ask the distinguished gentleman if he could be more precise about which day the marriage penalty legislation will come to the floor.

Mr. BLUNT. It is anticipated right now that the Permanent Marriage Penalty Relief Act will come to the floor on Thursday, and the motions to go to conference on energy and trade are likely to happen on Wednesday, as will the tax limitation amendment.

Ms. PELOSI. Mr. Speaker, do we know when the prescription drug bill might be scheduled?

Mr. BLUNT. As the gentlewoman knows, we are considering this an important priority. The chairmen of the Committee on Ways and Means and the Committee on Commerce and Energy are working hard to get this to the floor as soon as possible. We do not anticipate that will happen next week; but hopefully, it will happen soon after that.

Ms. PELOSI. Mr. Speaker, does the gentleman think it will happen before the July 4 break?

Mr. BLUNT. I am hopeful that it will happen before the July 4 break.

Ms. PELOSI. Mr. Speaker, can the gentleman shed some light on when some of the appropriations bills will be scheduled?

Mr. BLUNT. Well, the gentlewoman and her colleagues are going to be working hard on appropriations. We need to get those bills to the floor. We do not have any ready to schedule yet, but we are eager to do that; and since we passed the President's requested wartime supplemental, we hope the full energies of the Committee on Appropriations now turn to getting bills to the floor and hope that happens very quickly.

Ms. PELOSI. Mr. Speaker, I thank the gentleman for the information.

□ 1700

ADJOURNMENT TO MONDAY, JUNE 10, 2002

Mr. BLUNT. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 2 p.m. on Monday next.

The SPEAKER pro tempore (Mr. SIMPSON). Is there objection to the request of the gentleman from Missouri?

There was no objection.

HOUR OF MEETING ON TUESDAY, JUNE 11, 2002

Mr. BLUNT. Mr. Speaker, I ask unanimous consent that when the House adjourns on Monday, June 10, 2002, it adjourn to meet at 12:30 p.m. on Tuesday, June 11, for morning hour debates.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. BLUNT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

NINTH BIENNIAL REPORT OF INTERAGENCY ARCTIC RESEARCH POLICY COMMITTEE TO THE CONGRESS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Science:

To the Congress of the United States:

As required by section 108(b) of Public Law 98–373 (15 U.S.C. 4107(b)), I transmit herewith the Ninth Biennial Report of the Interagency Arctic Research Policy Committee (February 1, 2000, to January 31, 2002).

GEORGE W. BUSH.

THE WHITE HOUSE, *June 6, 2002.*

INTRODUCTION OF RESOLUTION HONORING PENNSYLVANIA NATIONAL GUARD

(Mr. GEKAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GEKAS. Mr. Speaker, I rise today in preparation of my introducing a resolution honoring the Pennsylvania National Guard.

All of us know the work of our National Guard components in our various States, but I did want to take extra time to point out some of the special duties that have been performed by the Pennsylvania National Guard, the largest in the Nation, by the way, and the Air National Guard in Pennsylvania, which is the fourth largest in the United States.

In very short time now, 2000 members of the guard will be positioned to move to Europe to assist in the NATO facilities in the various roles they have to play in that part of the world. Now, this is to say that that is just one duty. They are also involved on the northern border of the Canadian border in NORAD, and many domestic sites. And in Afghanistan, the Air National Guard has performed various tasks that are very important to the entire effort in the war against terrorism.

Mr. Speaker, I close with asking others to join with me in the resolution honoring the Pennsylvania National Guard.

HOUSE PASSES BILL PERMANENTLY ELIMINATING DEATH TAX

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, I am proud that we did the work of the American people today. Americans believe that it is time to permanently eliminate the death tax, and this body took that confident step, they took that confident step today for the great benefit of the American people.

I can say this with great confidence since I spoke with many small businesses back in the great State of Nevada during the past week. Each business owner I talked to, such as those of Click Bond in Carson City, Nevada, stated they would have had to close or sell their business should anything have happened to them individually and the death tax had been reinstated. They praised Congress for passing last year's tax relief bill and pleaded we make the death tax elimination permanent so they can pass on to future generations their businesses and their farms.

Mr. Speaker, our permanently eliminating the death tax was the fair and right thing to do. No Nevadan, no American should have to mourn the loss of a family business and a loved one at the same time. I applaud my colleagues for doing what was right for the American people.

MAST ACADEMY REPRESENTS FLORIDA IN COMPETITION

(Ms. ROS-LEHTINEN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. ROS-LEHTINEN. Mr. Speaker, students from MAST Academy, a high school in my Congressional district, recently represented Florida proudly in the national ''We the People, the Citizen and the Constitution'' competition.

For the first time ever, due to hard work and diligent preparation, MAST Academy competed against 50 schools from every State in the Union.

I warmly congratulate the following students: Bianca Badia, Tanaz Berahman, Lisette Cabezas, Ama Campbell, Angela Casale, Christopher Cruz, Maria Cullen, Melissa Estape, Myriam Ferzli, Tina Fregeolle, James Gawley, Maria Guerrero, Jackie Lee,

Kathryn Magil, Yanique McGregor, William Mitchell, Melissa Montanez, Katherine Powell, Crystal Prince, Lauren Smith, Julian Strolen, Chayenne Thomas, Joelle Urrutia, Francisco Vasquez, and Corey West.

With the help and guidance of their teacher, Tanya Hanson, these young students demonstrated vast knowledge and understanding of our U.S. history as well as the fundamental principles and values of our constitutional democracy.

I ask that my colleagues in Congress join me in commending these fine students and their excellent teacher for an outstanding achievement.

IN SUPPORT OF NEW TECHNOLOGY

(Mr. BURR of North Carolina asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BURR of North Carolina. Mr. Speaker, I rise today in support of an exciting new technology. Local television broadcasters across the country are undertaking their biggest advancement in years: The transition to digital television. Digital TV opens the doors to new possibilities, like High Definition TV, interactive television, and expanded programming options.

In my district, we are already served by several stations transmitting a digital signal. I am proud of my hometown broadcasters, like WXII, which is owned by Hearst-Argyle. These stations are leading the charge into the digital future.

These TV stations are small businesses, like others. They have made substantial investments in new transmitting facilities, new production equipment, and, in some cases, new broadcast towers. Collectively, the industry has invested over $1 billion in this new technology.

While local broadcasters are doing their part to propel the digital television transition forward, we have yet to see all the pieces of this come together in place. I believe the transition will accelerate once cable companies begin to carry digital signals. Seventy percent of U.S. households receive their TV through cable. We need that signal as digital.

I hope that Congress can work with these differing groups, broadcasters and cable operators and other interested parties, on the remaining issues. Until then, however, I remain fully confident that the future of television is digital, and I believe the future is bright.

FIFTY-EIGHTH ANNIVERSARY OF D-DAY

(Mr. PENCE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PENCE. Mr. Speaker, it is June 6, 2002, and 58 years ago on this day, as President Reagan said nearly 20 years ago, we mark a day in history when allied peoples joined in battle to reclaim a continent to liberty.

As President Reagan said, for 4 long years much of Europe had been caught up under a terrible shadow. Free nations had fallen, Jews cried out in the camps, millions cried for liberation, and America and her allies responded.

225 Rangers came ashore at Pointe de Hoc, Normandy, along with thousands of others. As President Reagan would say, that day in 1984, the men of Normandy had faith that what they were doing was right, faith that they fought for all humanity, faith that a just God would grant them mercy on this beachhead or the next. It was the deep knowledge, and I pray God we have not lost it, of the profound moral difference between the use of force for liberation and the use of force for conquest.

Let us, on this 58th anniversary, never forget the courage, the inspiration, and the faith of the boys and the men of Pointe du Hoc, Normandy.

PRAY FOR MARTIN AND GRACIA BURNHAM

(Mr. TIAHRT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TIAHRT. Mr. Speaker, today marks the 376th day that Martin and Gracia Burnham have been held captive by Muslim terrorists in the Philippines. It has been over a year now.

This July 31, the U.S. military 6-month advisory mission in the Philippines expires, yet many of us are requesting of the administration that our troops stay beyond the current deadline. There was some concern, when our troops first arrived in the Philippines 5 months ago, they would not be well received. When Deputy Secretary of Defense Paul Wolfowitz visited the Philippines last week, he found they were very receptive in the Philippines, and that even a Muslim governor in the southern Philippines wanted an increased role for our U.S. military.

Our special forces commanders feel like their job is not done. We have strategic interests and a common goal of getting rid of terrorism, so we must stay. Terrorism will not stop without their help.

And then there are the Burnhams still being held hostage. How can we walk away from two of our citizens being held captive by Muslim terrorists? Mr. Speaker, I believe we know where the Burnhams are. I believe if we have the political will, we can bring them home safely. I ask the President to not walk away from Martin and Gracia Burnham.

As always, I ask my colleagues to join me in prayer for Martin and Gracia and their loved ones so this nightmare may soon be over.

IN HONOR OF AMANDA KAY EDWARDS

(Mr. OSE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OSE. Mr. Speaker, I rise today in honor of Amanda K. Edwards. I rise today to honor her life as a constituent and as a friend of mine.

Ms. Amanda K. Edwards passed away on Tuesday of this week, and I seek to commemorate her life and service to our community. Her life was cut short, as I said, on Tuesday at the age of 18. My sympathies are with her family and friends during this difficult time. She was an extraordinary young woman with a very bright future ahead of her.

Amanda was a recent graduate of Maxwell High School, where she was a member of the California Scholarship Federation. She had been accepted at California Polytechnic State University, San Luis Obispo, and planned to major in ranch management.

In addition to her scholastic achievements, Amanda was a rodeo queen of the Maxwell Rodeo and Stonyford Rodeo 2002. She was a member of the Future Farmers of America and the 4–H Club. Frankly, her list of accomplishments is quite impressive, but it really does not capture her true spirit.

I had the pleasure of knowing Amanda. We competed together at the Colusa Western Days and together we won the Team Penning competition. It was her energy and enthusiasm that led us to victory two years in a row. She was dedicated, hard-working, but, more importantly, she was a good person, and we have too few of those. Our Nation's future rests in the hands of younger Americans such as Amanda, and, frankly, she was a great example of what lies ahead for this country in terms of the standards she set.

Without a doubt, she contributed great things, not only to our community, but to each of our lives. Her passing is a tragedy and she will be deeply missed. I am grateful that she was a part of my life.

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. BOOZMAN). Under the Speaker's announced policy of January 3, 2001, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. FILNER) is recognized for 5 minutes.

(Mr. FILNER addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

FAREWELL TO DEPARTING 2001–2002 PAGE CLASS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. SHIMKUS) is recognized for 5 minutes.

Mr. SHIMKUS. Mr. Speaker, at this time I would like to ask the Page Class of 2001 and 2002 to come down and take the seats in this first and second row, and try to congregate in the middle, if they can, and, Mr. Speaker, at the conclusion of this I will include for the RECORD the names of the entire graduating class that will be graduating tomorrow.

Tomorrow is the end of a long year of working together, and it is an honor to stand up, as chairman of the Page Board, along with a lot of my colleagues, to do that hard part of saying good-bye. For me, this is my first time chairing the Page Board, and so you are a very special class, one that I will remember forever, and hopefully you all will remember this experience.

As chairman of the House Page Board, it is my privilege to acknowledge and thank you, an outstanding group of young people, but it is difficult to let this group of pages go. This year's class has faced challenges and struggles unlike any other class in history.

Just several days into your page experience, you experienced challenges that tested the strength of every American. Before you even had a chance to acclimate yourselves to your new home in Washington, your senses of safety and security were threatened. The events of September 11 left us all feeling frightened and unsure about our future, but you were role models, not only for your peers but for many adults as well. You recognized that the work of your country must go on despite the attempts of others to halt it.

I know my colleague, the gentlewoman from New Mexico (Mrs. WILSON), is not here, but I want to personally thank her for spending time with you all, as you will remember, on September 11. It was a very important time for a Member to take time out to work with you, and she has my gratitude for fulfilling that role as a member of the Page Board.

We owe you a debt of gratitude for persevering with your work and for doing so with grace, enthusiasm, and, as I found out, good humor.

□ 1715

There is no question that you are all destined for very bright futures. You have made us proud, and you have shown us that the human spirit is inextinguishable in the face of adversity. Surely you have made your family, friends and communities back home proud as well, and I am certain that they will be glad to get you back.

As difficult as it is to say good-bye, I trust that you will take with you memories, experiences and friends that will last a lifetime. Take with you also our sincere thanks for a job well done.

Your hard work and dedication have proven that you are young people with strength, courage, character and love of country. I like all those words: strength, courage, character and love of country. You are true patriots in the very best sense of the word. You are serving your country now, and we are asking you to continue to serve your country as good citizens and as good role models.

We look forward to hearing about all your many successes in the future. Please come back and visit us. Best wishes for safe travels home, good luck in your senior year in high school. Much happiness always. May God bless you all. I am not the only Member here to say good-bye to you; and I would like to recognize, and he took great lengths to come back to the floor from another meeting, and I appreciate the gentleman from Maryland (Mr. HOYER) coming back and sharing his thanks with you.

Mr. Speaker, I yield to the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Speaker, I address the class, I suppose, of 2002 of the United States House of Representatives Page School. I want you to think of your status, 280 million fellow citizens. I do not know how many millions of 10th and 11th graders, 16-year-olds that we have in America, but clearly it ranks in the millions. There are but a few of you who have been given the opportunity, the honor, the privilege of serving in the House of Representatives.

I know that every one of us who has the opportunity to be selected by their neighbors and friends to serve in this House feels the awesome honor of that privilege. I hope you share that with them. I hope you share the realization of the very special knowledge that each of you has received and understand how very unique your experience is relative to so many millions of young people in America.

The gentleman from Illinois (Mr. SHIMKUS) has pointed out that you have served as pages in this House and served your country in that capacity in a historic year, in a year in which America was attacked here on its very homeland. That has not happened since 1814. Think of that. That was even before you were born. It was so long ago, it was before I was born. America had felt invulnerable, safe. The trouble and violence for the most part at least from an international war status was somewhere over the waters and far away, and we found that it was not. You, your parents, your relatives, your friends and your neighbors felt more vulnerable than they had in the past. As so many have said, America was changed and our concerns were heightened.

Those who attacked us were relatively young people who cared passionately about an objective. We think very, very wrongly and indeed evilly, but they cared a lot about something. What I hope and what I think all of us hope is that you, too, care passionately, care passionately for this country, for its principles, for its processes.

Those of us who have traveled the world know that almost everybody looks to America as a very, very special place. Some do not like us; but even in that dislike, they are somewhat in awe of this longest-standing democracy on the face of the Earth. Why has it been so long-standing? Because its people love it. Its people care for it. Its people sustain it. You are the people. We the people. We call this House in which you have served the People's House. We are elected every 2 years. It is kind of a pain in the neck to run every 2 years, but let me tell you what it does: it keeps you in touch. That is what the Founding Fathers wanted us to do. They wanted those of us who serve on this floor to be in touch, to hear the passions and the fears and the aspirations and hopes of your parents, and of you.

I want to congratulate you because you were selected because you are some of the most outstanding young people in America, which is to say in the world. Who in a short period of time, just as some Members of this House who served in the blue coat brigade that you have been a member of, serve now in the House of Representatives.

Some of you will serve in the House and in the Senate and Governors; and yes, perhaps even one of you will be President of the United States. But the probability is most of you will not be that, but you can serve very well. Take with you this experience. Take with you this knowledge of how much the Members who serve here care about our country, how hard they work. I hope you have been surprised at how hard they work. I was when I first went to the Senate at the age of 27 in the State of Maryland.

I hope you take that home to your classmates, your families and friends, so they will feel better about this democracy and this country. We have asked God to bless America, and God does. God blesses America through the service of each and every one of us. And to the extent that you become ambassadors of our democracy, to all our people, our country will be a stronger and better place. And those who attack us will surely fail. Godspeed, and thank you.

Mr. SHIMKUS. Mr. Speaker, many Members want to speak of that great love and concern who have visited with the pages throughout the year, and I yield to the gentleman from Arizona (Mr. KOLBE) to say good-bye.

Mr. KOLBE. Mr. Speaker, I have not looked out on this many youthful and good-looking people on the floor of the House of Representatives since I have been here. It is nice to see this crowd here today. I got my start as a page through the times that I have had a chance to talk to you. Of course I served in that other body on the other side of the Capitol called the Senate, and perhaps I can be forgiven for that. But I know what a profound difference it made to me, that experience; and I know that this experience is going to have a big effect on you. It is going to change your lives.

Now, you look and say, the gentleman from Arizona (Mr. KOLBE) comes back as a Congressman, it means we can all be Congressmen or Congresswomen. Yes, you could be; but you will not be. And that is all right, because no matter what you do, this experience is going to have a real impact on your lives. I can guarantee you that.

My class of 1960 includes Don Anderson, our former Clerk of the House, and Ron Lasch, who was our floor assistant here on the Republican side. We get together every 5 years, once every 5 years, and I know from the times that we come back together, the impact that this experience has had on the lives of those once-young men and women, then it was all young men, and how it has changed their lives as they have continued with whatever they have done, whether in government or business or professions.

This is an experience that you will be able to take with you to wherever you go. Although there is no doubt about it, we could do the wonderful work that you do, the important work that you do for the House of Representatives, there are many ways that it could be done, probably some which would be less expensive and less headaches for the Page Board and others, but we would be missing something. We would be missing an opportunity to create these ambassadors back to your communities about what government is all about.

You join now a very select group, which numbers in the few thousands of people in the entire United States who have ever had this experience; and you will go back to your schools and communities, and then you will go to your colleges and your businesses and your families, and you will be able to share with them what government is really like, the kinds of people that serve in government, the kind of work that goes on here.

I think, hopefully, by and large you have learned they are good people who care, who really want to make a difference for the American people. We hope that will inspire you to want to do the same no matter what line of work you go into, that you will want to do the same. That is really what this program is all about, that you come here, you learn from it and take home with you something that is very important, and you become ambassadors for a better government, a better society back in your own communities.

As has been pointed out by the gentleman from Illinois (Mr. SHIMKUS) and the gentleman from Maryland (Mr. HOYER), you came and you experienced something that no other class has ever experienced, and we hope none will ever again, the incredible attack on America that took place on September 11. What I shall always remember about this class of pages is your constancy, your willingness to stay and stick with this job.

After September 11, school groups canceled their visits here, business groups canceled their visits, tourists declined to come; but you stayed on. You stayed on in this job because you knew what we were doing here was important. You knew the work of the House of Representatives was important and that in your own way the job that you were doing was important. We are especially thankful to this class for what you have done, the role that you have played.

We just know when you leave here you will go back to your communities, and you will be able to tell them a little bit about what the government of the United States means, and you will pass this along to your children, to the next generation.

So from the bottom of my heart, I say thank you to each and every one of you for the good service that you have given, the friendship that you have extended to the Members, and I look forward to seeing you come back often and seeing you around the House of Representatives; and someday I am sure we will see some of you in the House of Representatives. Good luck and Godspeed.

Mr. SHIMKUS. Mr. Speaker, I yield to the gentlewoman from California (Ms. MILLENDER-MCDONALD).

Ms. MILLENDER-MCDONALD. Mr. Speaker, congratulations to all the pages. They have been such a source of inspiration to all of us, their coming at the most critical time that our country has been faced with. And not one time did they deter from doing the duties of a page.

Of course I have a page here, Taurean Snow, who came from my district; and he came for one semester and asked to see if he could serve a second semester. I was happy that he chose to do that.

But I join with the gentleman from Arizona (Mr. KOLBE) in saying that you will now be ambassadors, ambassadors to take what you have learned here. This is like a civics class for you, a class that far too few are in our schools now, teaching you what government is all about.

□ 1730

This particular experience will be with you always, because you will remember the times that you have had to run the corridors to bring flags to our offices, or you have been on the floor and have had to bring messages to us. And so those types of experiences, coupled with your hearing us argue on the floor about different issues, will be with you, and you can go back and tell your friends just what you have learned from this House. And, of course, you see us argue quite a bit on the floor, but then you also see us come across the aisle, shake hands, and be friends. This is what you have come to know and recognize, those of you who are here.

I was fortunate being the Chair of the Women's Caucus to get a note from one of the pages, a female page. She said to me, I really admire what you have done and you are a role model. I thought that was a great thing for a page to send a note to me. When I inquired as to which page she was, it was a Republican page. I thought that was very admirable of her because she saw no difference really. She just wanted to say how much of a role model that I represented in her eyes. I hope we all have done that for you because you certainly have for us. You have shown us the type of discipline that young folks should have.

This morning I spoke with a group of Girl Scouts, and I told them, as a former Girl Scout, I will never forget on my honor. Well, you will never forget on your honor and you will never forget those things that you have learned here on this floor. Again, thank you so much for sharing your year with us. We hope that this has been an experience for you that you will keep throughout your adult life. I join with my other colleagues in saying that perhaps one year we might see you here on the floor being a Congressperson. I really do think Taurean will be.

Godspeed to all of you.

Mr. SHIMKUS. I thank my colleague. Now someone who spends a lot of time with you also, the gentleman from Florida (Mr. FOLEY), would like to say a thank you.

Mr. FOLEY. I warn all of you not to cry in front of me, please, so I can get through this very important day with you without shedding tears as well.

First, I want all of you to salute two people that I know at times were tough on you. They are taskmasters, they are disciplinarians; but they love you in an incredibly personal way. I would like all of the pages to clap for Ms. Sampson and Ms. Ivester, your supervisors.

Ms. Sampson is on the back rail. She does not like to come too close here because she may cry, too; and she does not want any of the kids before you depart on Saturday to see her being a vulnerable person. It is true.

I hear so much laughter here and I am glad that there is laughter, because this is a wonderful time of your life. Every time we celebrate the departure of a page class, we remember your first day here and, of course, we are here at your last. You came in very shy and meek and very polite and for the most part you have remained polite, but no longer shy and meek. You have taken on your respective roles as junior Members of Congress and oftentimes I get a kick when I walk by the back row, Mr. FOLEY, please mention the pages so our parents will hear us on C-SPAN. The nice thing about today is you are on C-SPAN. And this is recorded. And you will get to see this replayed. And you will get to see your faces now assembling as if you were Members of Congress.

Some probably cannot wait to leave and get back and see your best friends and loved ones and some are anguishing about your departure. Mary Kate Leonard was on the back row crying. I asked why. She said, ''I'm losing my best friend, Rachel.''

I said, ''Really? Where's Rachel?''

''Oh, Rachel is a Republican page.''

I said, ''Oh, you are all bipartisan, too, huh?'' Because Mary Kate is a Democrat, which shows how friendships can cross an aisle and cross ideological divide. So I asked Rachel to come from the cloakroom, and she thought I was kidding, to join her friend who was crying and I said, ''I can't let her cry alone. You have to be out here to be part of this.'' Now I have got you both crying and I am starting to well up.

I have got a lot of other stories. Of course, Christopher made sure I came out of the cloakroom to see that his mother and family were sitting up in the gallery this morning as I quietly mentioned to him, ''Remember, we're not allowed to gesture to the gallery.'' He said, ''Oh, just wave to her, so she knows I'm important.'' He is important and she is above us now.

Of course we have got several Jasons, a few Laurens. Adam, thank you for the graduation announcement. I sent you a handwritten note, and I was actually going to put some money in it as a graduation present. Then I realized he would tell all of you, and then I would get hundreds of graduation announcements. So I chose not to. I hope the handwritten note will suffice for your scrapbook.

Patty Mack, of course, also known as Patrick McDonald, when he said, ''Mr. FOLEY, who made you say that?'' I said, ''I made it up myself. I'm Irish. I get it.'' Fabulous young man. This is not made to make fun of him or anyone else.

The tag team of Dominic and Hilary. Who will forget their exuberance coming in the room? Bubbly, excited, cheerful. Of course Jordan and Eddie. Eddie's mother I met today. They are from Florida. He is a constituent and hopefully a future voter of mine if I choose to run statewide, so Eddie will be my next best friend.

And, of course, Melanie, and finally John Eunice. John was the highest bidder on lunch with MARK FOLEY. Maybe you all do not know this story, but John had paid considerable sums to dine with me. I had offered to take the winning bidder to lunch in the Members' dining room. Then I heard how much John Eunice paid. And I said, ''John, there is no way in the world after you committed so much money to have lunch with me that I would dare take you downstairs to eat in the Members' dining room.'' I said, ''Where do you want to go?'' He says, without reservation, ''Morton's.'' I said, ''Morton's? Like in Morton's Steakhouse?'' He said, ''Oh, would that be too much?'' I said, ''Oh, no, we'll go.'' I said, ''Call your mother, get permission, make sure she notifies the Clerk and we will go to Morton's.'' And so we proceeded to cruise down in my BMW to Morton's. And all of this story is meant to make you all feel jealous that you were not the high bidders. So we went to Morton's, and I do not know where you all went.

I have a lot of other names here, but I do not want to go through the litany of lists, Nickie and Tim sitting in front and others. This has been an incredible year. This has been a year you will remember for the rest of your lives. When I was in fourth grade, President John Kennedy was assassinated. I remember kneeling in prayer for our Nation and for our President. I was so scared, because I had never witnessed something so traumatic. And on the 11th, and I think the gentleman from Arizona (Mr. KOLBE) said this best, we were all scared as Members of Congress. We were frightened for our Nation. And what tenacity you showed and what leadership you proved by staying here in this Capitol. I am afraid if I was your age I may have run home. That speaks volumes about the people you are. That speaks volumes of your parents and your grandparents. It speaks of the kind of love they have given you, the kind of time they spent with you to make you the incredible human beings you are.

God has blessed this Nation more than I can tell you and given us the chance to succeed beyond our wildest dreams. I barely graduated from high school, and I did not go to college. I am a proud Member of this great institution because I kept trying. I never gave up and never gave in to the instincts to be lazy or run for cover. You all have proven without a doubt that you are not only courageous Americans but wonderful young people. Cherish your youth, cherish this experience, but above all cherish your families. Let them know how much you appreciate them giving you this chance. And let them know how much you appreciate their love to make you the people you are. I was not going to do this because I am on C–SPAN now.

To the Page Board, as well, and to all the people that make up this fine institution, from the police officer you see in the morning and you see at night as you are entering your dorm, to the people that help keep the buildings clean and operating, the elevator operators, the people that serve you in the cafeteria, the people that stand behind us and work countless hours listening to us babble, the people that have made up the core of this program, I salute you and I thank you and I hope you will join me too in saluting everyone in the page program that has made this year a resounding, phenomenal learning experience and success for you.

God bless you all.

Mr. SHIMKUS. Now I would like to ask my colleague and friend, the gentlewoman from Maryland (Mrs. MORELLA), to say a few words.

Mrs. MORELLA. You can see how we love you. I was thinking that this is really like a graduation; it really is, for you. You have had a year here. And it is really like a commencement, because now you are beginning another stage of your lives. It has just been a wonderful opportunity for us to have you, to know that you could tell us who was speaking at any one time. I think your identification was superb. You could say this is so and so from this district, number such and such, Democrat or Republican. So we actually relied on you for that. We relied on you to get us the CONGRESSIONAL RECORD when we wanted it. We relied on you to make sure that you delivered whatever messages needed to be delivered. We relied on you to prepare the House for joint sessions and to prepare the House each day for the work that we did. And you have done it all so well.

I am sure that you have been awestruck every time you entered this Chamber on both sides and you looked up at the flag and you looked up at the motto, ''In God We Trust,'' and you know that people all over the world are watching what happens here in this particular Chamber. It is indeed the people's House. You note from the wonderful, moving passion that you heard from MARK FOLEY and what you have heard from others, JIM KOLBE and others who have spoken here, too, JUANITA MILLENDER-MCDONALD who spoke and others who have spoken here, too, and the person who has been in charge, JOHN SHIMKUS, you know how much we appreciate what you have done.

We are from all different areas. We bring different values and different, not necessarily different values, different issues because we represent our particular regions. You have had a year where you have had to engage in some study, sometimes very late at night. You have been with us when we have had our long nights. I have seen you with the books where you knew you had to get ready for the next day. You were not quite sure how you were going to handle it, but you did it. You made a number of sacrifices, not only sacrifices of sleep but sacrifices in terms of other issues and other things that you wanted to be involved in that you did not do because of your responsibilities. So you have learned what democracy is like and you have learned that there is a lot of hard work that takes place to make it work. You have also learned that with the differences that we may experience, that we do come together because we come together as a Nation.

So as you leave here, having been touched permanently by your experiences here, I guess my advice to you would be to continue to learn, to know that learning is something that is lifetime, because things change and you must be ready to change, to change with it, to make sure that you show enthusiasm for what you do. Enthusiasm comes from two Greek words, en theos, meaning ''from love.'' I think when you show enthusiasm, as all of you have when I have seen you on both sides of the aisle, it shows a kind of joy and appreciation for what you do and it radiates with your friends.

Continue to have a sense of humor. I think it is important that you do not take yourself seriously. Certainly the

press do not take us seriously when we send press releases. I think it is important to laugh at things, because then you can stand back and learn how to deal with them when you return to them. I would also suggest you take chances.

□ 1745

Sometimes your successes will occur only after you have had some disappointments and some failures. If you do not take chances, you will never know. I say no guts, no glory. So I hope you will know that taking chances is also part of progressing. It is part of life. It is what will add that extra dimension to it in terms of knowing what it is you can do.

I also want to point out that you have had some great leaders who have been here: Jeff Trandahl, and Martha, and, of course, in the little cloakroom back there I have seen little notes that say ''I love you, Ms. Sampson,'' and I know it is meant by all of you. I am sure the same thing is over by Ms. Ivester on the other side, too, because you have become part of their family as you have become part of our family, and they have watched out for you ever so closely.

So I do want to thank you for the work that you have done here as pages. I know it will be a permanent part of your life, and it will be something you will look back on and you will remember all the little incidents. You may even remember a few of the issues, maybe not too many, but a few of the issues.

Pages have been around for 150 years. It was Senator Daniel Webster who appointed the first page. Women were allowed to become pages not until 1971, but you are making up for it. You are making up for it, and I think that is great.

So I wish you all well. I know you are going to be nostalgic about this and you are going to have memories that are going to fortify you. But the first woman admiral, her name was Grace Hopper, and she was also someone who got involved in computer programming, once said, ''A ship in port is safe, but that is not what ships are for. Sail on.''

So sail on. We will always remember you. Thank you very much for what you have done for us.

Mr. SHIMKUS. Last, but not least, someone who has invested some time with you all and who is full of energy and a good friend, the gentlewoman from Ohio, Mrs. STEPHANIE TUBBS JONES.

Mrs. JONES of Ohio. Mr. Speaker, the other day I had the opportunity to deliver a commencement speech for John F. Kennedy High School, and that was Norville Arnold's graduation. He was my first page, my only page appointment, and it was a wonderful opportunity. I like poetry, so I am going to read a piece of poetry that I read at this commencement to his class.

Look what I have learned.

I have learned that you cannot make someone love you. All you can do is be someone who can be loved. The rest is up to them.

Look what I have learned. That no matter how much I care, some people just don't care back.

I have learned that it is not what you have in your life, but who you have in your life that counts.

I have learned that you can do something in an instant that will give you heartache for life.

I have learned that you can keep on going long after you think you can't.

I have learned that either you control your attitude, or it controls you.

I have learned that heroes are the people who do what has to be done when it needs to be done, regardless of the consequences.

I have learned that sometimes the people you expect to kick you when you are down will be the ones who help you get back up.

I have learned that just because someone doesn't love you the way you want them to love you, doesn't mean they don't love you with all they have.

I have learned that maturity has more to do with what types of experiences you have had and what you have learned from them and less to do with how many birthdays you have celebrated.

I have learned that your family won't always be there for you. It may seem funny, but people you aren't related to can take care of you and love you and teach you to trust people again. Families aren't biological.

I have learned that no matter how good a friend is, they are going to hurt you every once in a while, and you must forgive them for that.

I have learned that no matter how you try to protect your children, they will eventually get hurt, and you will get hurt in the process.

Finally, I have learned that people you care most about in life are often taken from you too soon.

I want to say to you that I have had great fun with this class. I have had a great time. We have had some wonderful experiences. I have learned that I do not take myself too serious, and I hope that you will learn that, over time, that is the best thing that you can do.

Then I want you to remember particularly how much fun those of you who had the chance to attend the Hill's Angels and the Georgetown faculty game, and that wonderful cheer that I taught you which was ''Give me an A; give me an N; give me a G; give me an E; give me an L; give me an S. What does it spell? Angels.'' And you were that for me.

I have been working with this basketball team, and every year I go to Georgetown and all the law students are there and the law students are cheering and having a great time, and I am saying where is my team? So I thank you for allowing me to incorporate you into the game. If ever you want to come back for a reunion game, just call me up. I will send a bus for you.

Have a great time, have a great year and come back and visit with us. Thank you.

Mr. SHIMKUS. I thank my colleague. I have already mentioned HEATHER WILSON. I would be remiss not to mention DALE KILDEE, who was on the Page Board and spent time, and just thank him for serving with me.

Make sure you remember in the last couple hours that you are here in Washington to thank the school staff, the dorm staff. We mentioned the floor staff. We have our chaplain here, and I know he has been a support for many of you, as he has been for Members. The Capitol Police, the attending physicians. Yes, we did need the attending physicians in this class once or twice.

So, we appreciate having you. There is a lot of people that invested in this, and make sure in the last day you get a chance to thank them.

Only in Washington can you ask for 5 minutes and get 60 minutes. What you have to notice is the House, we have very structured rules, but, for some reason, we are somehow allowed to break this one rule to take 5 minutes and spend as much time as we need to thank you for the work you have done with us.

Members will not miss flights, as you know, for very much, and you almost get trampled sometimes at the end of the last vote. I just missed mine, but I do it for a good reason, and I do it for a good cause, because you have been a great, great joy for me; a trial, a learning experience, but, again, a historical footnote in the history of a great country that now you are part of. May God bless you all and may God bless the United States of America. Thank you very much for your service.

Mr. Speaker, I include for the RECORD a list of the page graduating class.

Katherine Alesse, Lauren Arango, Matthew Arthur, Adam Bacot, Jane Becker, Matthew Benson, Nicholas Bruckner, Laura Burlingame, Allison Bybee, Amber Childress, Rachel Dick, Saul Dingfelder, Jason Dykstra-Carlson, and Jessica Eanes.

Robert Edmonson, Jordan Edmund, Nicole Eickhoff, John Eunice, Michelle Fuentes, Dulce Gonzalez, Timothy Gorman, Jason Green, Megan Grimland, Christopher Harrington, Gretchen Hartje, Paula Hodges, Mallory Kunz, and Mary Kate Leonard.

Matthew Loraditch, Alicia Luschei, Christopher Marquart, Patrick McDonald, A. Edward Mehnert, Elizabeth Mooers, Lauren Oswalt, Joseph Overton, Julia Owen, Timothy Read, Elizabeth Rilley, Allison Robinson, Katherine Roehrick, and Tyler Rogers.

Amanda Rudd, Dominic Rupprecht, Taurean Snow, Mark Spong, Hilary Styer, Diane Sutherland, Melanie Tate, Alissa Turnipseed, Xavier Vanegas, Marisa Vasels, Charlotte Vasquez, Amelia Williams, Krystle Williams, and Gregory Wright.

Mr. ADERHOLT. Mr. Speaker, I want to join other colleagues of mine in thanking the fine young men and women who have served as pages for the U.S. House of Representatives this past session. I was particularly pleased to have Ms. Lauren Oswalt of Fayette County, Alabama here in Washington, D.C. She is a fine young woman and has represented her home area well. The pages not only provide valuable services to Members and their staffs, but they are able to learn a great deal about how their Federal government works. As they return to their communities and continue their

studies, this knowledge can help them be effective citizens and leaders. To that end, I also want to thank the directors of the Congressional Page program. It is a fine combination of public service and education. Again, I congratulate the pages and thank them for their service.

GENERAL LEAVE

Mr. SHIMKUS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the subject of my special order today.

The SPEAKER pro tempore (Mr. BOOZMAN). Is there objection to the request of the gentleman from Illinois?

There was no objection.

REPORT OF CORPORATION FOR PUBLIC BROADCASTING FOR CALENDAR YEAR 2001—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Energy and Commerce:

To the Congress of the United States:

As required by section 19(3) of the Public Telecommunications Act of 1992 (Public Law 102–356), I transmit herewith the report of the Corporation for Public Broadcasting for calendar year 2001.

GEORGE W. BUSH.

THE WHITE HOUSE, *June 6, 2002.*

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from the District of Columbia (Ms. NORTON) is recognized for 5 minutes.

(Ms. NORTON addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Carolina (Mr. WILSON) is recognized for 5 minutes.

(Mr. WILSON of South Carolina addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GREEN) is recognized for 5 minutes.

(Mr. GREEN of Texas addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

CLOCKING THE RAID ON SOCIAL SECURITY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio (Ms. KAPTUR) is recognized for 5 minutes.

Ms. KAPTUR. Mr. Speaker, I rise tonight to talk about Social Security, the premier program of the last century, which has helped to raise a generation of our seniors out of poverty. Most seniors in America receive upwards of perhaps $580 per month. For them it is a lifeline, and without Social Security and Medicare, they simply could not survive.

Today this House debated what to do with the estate tax, some call it a death tax, but assets accumulated by very large interests, and we heard the debate. But what is important to point out about this debate is that because the Bush administration and its allies inside this Chamber cannot afford to pay for the tax benefits being given, especially to the very super-rich in our country, they have raided the Social Security trust fund consistently this fiscal year, and, as of this week, June 5 and counting, they have taken from the Social Security trust fund already $207,232,876,712.

This chart and those that will follow in the weeks to come will clock the Republican raid on Social Security. The amount that has been taken to date averages thus far $717 per American citizen, and the numbers are still being counted as the days tick on.

As long as Republicans continue to raid the Social Security trust fund in violation of the promises not to raid the trust fund dollars contained in what was called an accounting lockbox, it is my intention to be here on the floor clocking their raid with our Social Security debt clock.

I also will be going through the history of who created Social Security for our country and who has historically opposed it. In fact, in 1935 in the deliberations in the Committee on Ways and Means not far from this floor, the Republican Members of the House Committee on Ways and Means voted to kill the original bill that created the Social Security program that our parents and grandparents and great-grandparents have benefited from since the mid-1930s.

When the bill moved to the floor, it was Democrats that passed that bill. I think it is very important that that history go on record, because if you look at what has been happening with the accumulation of additional debt in our country, and I put this chart up here as illustrative, we look at the accumulation of debt, this goes back to President Johnson. For a long time, because of the Vietnam War, and going into the Carter years, the recessions that resulted from rising oil prices, and then into the Reagan-Bush years when we had the huge defense buildup and the Persian Gulf War, our Nation went deeply into the red. We have over $6 trillion of debt that we are now financing in this country. But during the Clinton years, with the budgets that were passed in cooperation with this Congress, we were able to move to a point where we were actually, for the first time in modern history, accumulating surpluses, until now, with the inauguration of President Bush, and we are beginning to move into a deficit position again, and very severely so, in a very short period of time.

The funds that are available to borrow against for various purposes, whether it is giving tax cuts to people like Ken Lay, who will get over $350 million additional in a tax refund because of the tax bill passed earlier this year, or the estate tax that was voted here today, that money has to come from somewhere, and that somewhere is the lockbox that almost every single Member here voted to protect. It is beyond my imagination why anyone would want to vote in that manner.

□ 1800

But until this administration and House Republicans put seniors first and reverse this raid and commit to saving Social Security as we have promised, I will be here to tell the truth to the American people, using these red numbers and this debt clock to show just how much is being raided.

Today in the Washington Post there is a story called ''The State of the Estate Tax.'' I will enter it into the RECORD, but what is really interesting about this is it talks about some of the major beneficiaries of the bill that passed here by a very thin margin this afternoon. The very people that are raiding Social Security are taking care of some of their best friends. Here is one of them. Gary Winnick of Global Crossing fame, with assets of nearly 3 quarters of a billion dollars, will probably yield $366 million in so-called estate tax savings. Dennis Kozlowski from Tyco International, which has run into a little difficulty, $149 million.

Though my time has expired for this evening, all I have to say is the Democratic Party historically has been the party that has believed in and supported Social Security. We do not support borrowing from the trust fund in order to give tax benefits to the super rich.

More on this story later.

The information mentioned earlier follows:

[From the Washington Post, June 6, 2002]

THE STATE OF THE ESTATE TAX

The House begins debate today on President Bush's proposal to make permanent last year's elimination of the estate tax, or ''death tax'' as Republicans call it. Bush will be in Des Moines on Friday to tout the effort, which would benefit family farmers. Apparently, eliminating the tax would also benefit some non-farmers—some of them in the Bush administration.

Rep. Henry A. Waxman (D-Calif.) asked his staff to assemble a chart estimating just how much more the heirs of Bush, Vice President Cheney and members of the Cabinet would get if the estate tax were permanently eliminated. Waxman's aides also applied their calculators on the balance sheets of former Enron executives and the executives of other companies in the news.

The winners? Defense Secretary Donald H. Rumsfeld's heirs could gain as much as $120

million from the repeal, with heirs of Treasury Secretary Paul H. O'Neill getting as much as $51 million more and heirs of Cheney getting up to $40 million more. Heirs of Enron's Kenneth L. Lay would get $59 million more. Bush, a relative pauper, would leave behind an extra sum of no more than $10 million if the tax were eliminated.

The White House said Waxman's analysis was beside the point.

''Failure to make the tax cuts permanent would increase the taxes on 104 million Americans,'' Bush spokeswoman Claire Buchan said. ''The president thinks that's wrong and that it's wrong to double-tax families, especially at the time of death.''

	Assets	Estimated estate tax savings
Bush Administration Official:		
President Bush	$11.1 million–$21.6 million	$4.6 million–$9.9 million.
Vice President Cheney	$19.3 million–$81.8 million	$8.7 million–$40 million.
Defense Secretary Donald H. Rumsfeld	$61 million–$242.5 million	$29.6 million–$120 million.
Treasury Secretary Paul H. O'Neill	$62.8 million–$103.3 million	$30.5 million–$50.7 million.
OMB Director Mitchell E. Daniels Jr	$18.1 million–$75.3 million	$8.1 million–$36.7 million.
Secretary of State Colin L. Powell	$19.5 million–$68.9 million	$8.8 million–$33.5 million.
Commerce Secretary Donald L. Evans	$11.4 million–$45.1 million	$4.8 million–$21.6 million.
EPA Administrator Christine Todd Whitman	$6.4 million–$20.3 million	$2.3 million–$9.2 million.
U.S. Trade Representative Robert B. Zoellick	$3.3 million–$13 million	$555,000–$5.6 million.
Labor Secretary Elaine L. Chao	$2.3 million–$5.4 million	$123,000–$1.8 million.
HUD Secretary Mel R. Martinez	$1.6 million–$4 million	$0–$870,000.
VA Secretary Anthony J. Principi	$1.6 million–$3.6 million	$0–$690,000.
HHS Secretary Tommy G. Thompson	$1.3 million–$3.3 million	$0–$555,000.
Attorney General John D. Aschroft	$1.1 million–$3.3 million	$0–$555,000.
Education Secretary Roderick R. Paige	$1.1 million–$2.9 million	$0–$377,000.
Agriculture Secretary Ann M. Veneman	$680,000–$2 million	$0.
Interior Secretary Gail A. Norton	$207,000–$681,000	$0.
Energy Secretary Spencer Abraham	$224,000–$664,000	$0.
Transportation Secretary Norman Y. Mineta	$220,000–$655,000	$0.
Company Executives:		
Gary Winnick (Global Crossing)	$734 million	$366 million.
L. Dennis Kozlowski (Tyco Intl.)	$300 million	$149 million.
Kenneth L. Lay (Enron)	$119 million	$59 million.
Charles Watson (Dyengy)	$112 million	$55 million.
Bernard J. Ebbers (WorldCom)	$78 million	$38 million.
Michael Saylor (MicroStrategy)	$54 million	$26 million.
Richard McGinn (Lucent)	$25 million	$12 million.

RESPONSE REGARDING SOCIAL SECURITY TRUST FUND

The SPEAKER pro tempore (Mr. BOOZMAN). Under a previous order of the House, the gentleman from Florida (Mr. FOLEY) is recognized for 5 minutes.

Mr. FOLEY. Mr. Speaker, I feel somewhat compelled to at least respond to the last charges that Republicans do not care about Social Security. We do indeed care about Social Security. We have parents. We have grandparents. We care desperately. When the record is explored for people to review, I hope they will know that nine out of 11 times that Social Security was violated, where they actually invaded the trust funds, occurred during Democratic Presidencies and Democratically controlled Congresses. We will show the record. We will show in detail where moneys were taken from the Social Security Trust Fund and used to offset other budget issues.

Let me also remind the gentlewoman from Ohio (Ms. KAPTUR) they never talk about the spending bills that they have encouraged on this floor. Repeatedly, time and time again, we hear motions to rise, motions to adjourn, some 9, 10, 15 a day, because they are unhappy with the spending levels in the bills. They insist more money be added to each and every appropriation bill, and it happens time and time again.

During the Presidency of Mr. Clinton, constantly bills were vetoed because they did not have enough spending money. They try to put it all on the backs of those who choose to put the money back in the pockets of the American taxpayer. I am one of those that is proud to give money back into the families' pockets in America, those who best spend the money on their families, on their children, on their futures. But to sit here and blame Republicans and insist or insinuate we do not care about Social Security is absolutely false, absolutely false. We are not privatizing Social Security. We are strengthening it. And if the Democrats would participate in cutting spending on some wasteful programs, we may actually make some progress.

We are committed to the war on terrorism. We are committed to supporting our President in fighting this war on terrorism. And I am committed to spending the money to eradicate al Qaeda, and I am prepared to spend the money to support our men and women in uniform fighting for us here and abroad. I am prepared as a Member of this body to do what it takes to ensure the survival of this country and its citizens; and I am also committed to fighting for Social Security, as is every Republican.

My colleague, the gentleman from Florida (Mr. SHAW), chairs the committee and he cares about Social Security. All of us face constituents that are in their senior years. My parents may be watching, who are drawing Social Security. I care about them deeply.

So if we are going to have a record on Social Security spending, bring it on. If we are going to talk about deficits, bring it on, 40 years of deficits. Bring that debate to this floor, and I will match them word for word, dollar for dollar. I will show the Members where it has been spent for 40 years.

We balanced the budget in 5 years. We brought tax relief to American families. We strengthened education. We are improving Medicare. We are solidifying Social Security. The temerity of the other party to sit here and scare seniors is appalling.

It is appalling to scare seniors, who should be enjoying their retirement. Instead, they rattle out these charts and threaten financial collapse, and suggest and use names of people who have disrupted their own companies. Go ahead and mention Enron; go ahead and mention those crooks. They are crooks; they stole from their companies and their shareholders. That is not our fault. They were cheats and we should punish them. I will join in a chorus of outrage against those corporate mischievous people.

But I will not stand by and listen to this demagoguery that we have plundered Social Security, because the record will in fact reflect, as I stated at the beginning, nine of the 11 times Social Security was violated were by Democratic administrations, Democratic Congresses.

Bring it on, I am ready, because I love this country. I love our seniors. I come from a senior district, and I will work tirelessly to ensure that not only do they receive their checks, but we will balance the initiatives for all Americans, young and old, rich and poor. No class warfare; quit pointing fingers.

Let us do the heavy lifting. If we want to cut spending, we can save Social Security and the budget. If they want to keep spending like drunken sailors, then they will have the kind of deficits they have had for 40 years when they ran the place.

The SPEAKER pro tempore (Mr. BOOZMAN). Under a previous order of the House, the gentleman from Minnesota (Mr. GUTKNECHT) is recognized for 5 minutes.

(Mr. GUTKNECHT addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. PENCE) is recognized for 5 minutes.

(Mr. PENCE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. LEACH) is recognized for 5 minutes.

(Mr. LEACH addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

RECOGNIZING THOSE WHO SACRIFICED OR RISKED THEIR LIVES ON D-DAY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from Colorado (Mr. TANCREDO) is recognized for 60 minutes as the designee of the majority leader.

Mr. TANCREDO. Mr. Speaker, I rise tonight to first of all recognize and memorialize those whose lives were either given and/or risked on this date in 1945.

We have heard many moving comments, many moving speeches in tribute to the D-Day heroes. I can add little to the beautiful oratory that has been exemplified here by a number of speakers with regard to D-Day and what we owe the folks who participated in that horrendous event.

I also think to myself about the America for which those men either died or sacrificed their lives, and the kind of America that existed then, and, to a certain extent, the kind of America that exists today, and the difference that may exist. For the most part, it is the same America, and that is a good thing. But there are things that I think are somewhat disconcerting when we look at the Nation today.

Not too long ago, I think it was about a week ago, actually, there was an article in my local paper, in the Denver Post. It talked about the difference in attitudes of people today who are 20 years old or younger, the difference in attitudes between them and people older than them with regard to patriotism or love of this country.

It found that people 20 years old or younger really, perhaps to put it this way, knew very little about America. They really had very little understanding of who we are as a nation, who we are as a people, and the principles upon which this Nation was founded. They did not understand, in fact, the significance of September 11.

Many of them stated that the event was not that significant, from their standpoint, and maybe we even deserved it. That was some of the discussion. I have heard, as a matter of fact, from many people who are in academia, many people in higher education, and one professor in particular, a professor of economics at the University of Colorado who came up to me at a dinner that I was at not too long ago, last week, I believe, and he talked about what happened in his classroom on September 11 and the day after.

He said he came into his classroom and there was a buzz. He did not know what had happened yet. He had not seen the television accounts, but the kids had, the students had. This was at the University of Colorado, as I say. They asked him what he thought about that event. He, having just heard of it, said, I will think about it and talk to you about it tomorrow. What is your opinion?

He said that most of them felt that we deserved it; that it was something that America, because we are a country that takes advantage of so many other people around the world, that our support for Israel really set us up for this, and for a variety of other reasons that we actually deserved it. This was on September 11, when most of us were reeling from the impact of that event on our minds and on our hearts.

He said he went back the next day, and he said, I have thought about it. I thought to myself that perhaps the reason that you feel the way you do is because you do not believe in the rule of law. You do not believe that there is anything actually that you can describe as good or bad, evil or precious; that everything is the same, and that laws essentially, as a nation is created by law, is based on the concept of good and evil, and that once we destroy that concept in our own minds or that once we kind of buy into this idea that everything is essentially the same, that there are no actions that we can describe as bad, that there are in fact no countries that we can describe as evil, there are no cultures that are less deserving of our praise than others. Once we buy into that multiculturalism, cultural relativism, once we buy into that concept, then it is not hard to understand how they can come to believe that the United States probably deserved what happened to it.

Because, after all, we are no better than anybody else on the planet, in fact, as we tell our children in school day in and day out, in schools throughout the Nation, in classrooms throughout the Nation, that there is nothing unique about America.

We teach our children from the doctrine of relativism, cultural relativism. It permeates our schools and it permeates our lives. It permeates our philosophy of government, and has for far too long, and it has an effect.

When we do that, when children do not understand who we are or what we are as a Nation, it is not surprising, then, that they would respond as they did in this professor at the University of Colorado's classroom. Why would we expect them to be shocked and just abhor what had gone on? Nothing is unique about America, nothing is good. As I say, mostly we tell them that everything is bad; that America's history is rife with examples of slavery and a variety of other ills, what we did to the Native Americans, and all the things that we heap upon ourselves, all the problems that were undeniably problems.

They are nothing about which we should be proud, that is true. But if we only concentrate on that, if we think that is all America is is the maltreatment of Indians and/or the institution of slavery, if they think that is all there is, then no one could be expected to be enthusiastic about the concept of America.

□ 1815

No one could be expected to be too upset when foreigners come to the country and drive airplanes into buildings, kill 3,000 people. It is illogical to assume that they would be anything else but what they are. There is a price that we pay in this country for that kind of education and for a lack on the part of many people in this country to actually even tell their own children about America. This fear that if you extol the virtues of America and explain that, yes, there was in fact slavery in the United States, but it was the United States, it was the West in general that has abolished slavery, Western European and American thought, Western European liberal democracy, actually brought this world far more good things than it ever did bring bad things. And that is something most people have to understand and do not now know or believe. Western civilization gave this world far more in terms of personal wealth, the rule of law, a philosophic basis for man to live in peace and harmony, and one in which, as I say, provided the most for the most, called democratic capitalism, free enterprise. These are all great parts of the Western civilization that we so often decry. And we do this at our peril.

It will eventually eat away at the fiber of this country so that it is not just those children or those people here 20 years or younger who take this cynical view of America and who refuse to be excited by the flag. In this article they talked about the fact that they were not patriotic at all. They did not even think about the country in patriotic ways. And the only way they described patriotism was, as one person said, patriotism does not mean following your country blindly. Well, that is true, of course. It is absolutely true. It does not mean following your country or your government blindly. But it does mean understanding what the government is all about, what our Nation is all about and what we owe those people who died for it or gave their limbs, as my father-in-law did on the U.S.S. *Hornet* in the World War II where he lost both of his legs.

The country for which those men gave their lives on D-Day is not the same country today in many ways. And it is, I think, discouraging. Now, that is not to say that there are not many millions of children, we had a lot of them here just a little bit ago, who exemplify the best in America, and who certainly are willing to talk about the United States in patriotic terms and certainly probably are willing to risk their life and limb to defend it; and we have hundreds of thousands of men and women presently in the Armed Forces of the United States doing exactly

that, risking their safety, risking their life and limbs in service to the Nation and in defense of the Nation. And I say, God bless them. God bless those people who have given their lives in service of this Nation.

I am reminded, however, of a poem that I had to learn when I was in high school, a poem by Thomas Macaulay, and it is called Horatius at the Gate. And I only remember a short bit of it. It went on for a lot longer than I can recall tonight. But it was something like this, again, Horatius at the Gate, and I have to explain the background of it for just a second.

There was a time, I believe it was under the Emperor Trajen in ancient Rome when barbarians were at the gate of Rome and had conquered everything in between their land and Rome itself. And there was great panic and fear throughout Rome as to what was going to happen at the point in time that the barbarians breached the gates and came into the city. And as myth or story has it, a young man by the name of Horatius bravely volunteered to go to one end of a bridge that separated Rome from the horde that was invading. And he took two friends with him and they volunteered to go to the other side of the bridge and hold off the, because it was a narrow bridge, hold that as long as they could against the army oncoming while the rest of their compatriots cut down the bridge on the other side, therefore, of course, giving their lives in this cause.

The poem, again, as I remember it by Thomas Macaulay says, ''Then out spake brave Horatius, the Captain of the Gate: 'To every man upon this earth death cometh soon or late. And how can man die better than facing fearful odds, for the ashes of his father, and the temples of his gods.' ''.

Now that is all I can recall of that poem. But I think about it often because I think to myself if we do not, in fact, tell our children about America, if we do not imbue them with a sense of history about who we are and what we are, and the good things of America, the wonderful, incredible things it has given the world, the things that make it the envy of the world, the things that make it the place to which if we raised all of the gates all over the world, everyone would come.

And what does that tell you? All of those of you who have such a cynical view of America, all those of you who have this culturally relativistic view of America, what does that tell you that if you lift the gates they all come here? It tells you that there is something better about America, something unique. And you know that we have to tell our children this because, in fact, if we do not tell our children this, there is absolutely no reason to think that they would intuitively come to these conclusions.

I taught for 8 years in the Jefferson County Public School system, and I can remember thinking to myself, no kid comes to this classroom with an appreciation of fine art. I was not an art teacher. No kid comes to school with an appreciation of fine music, classical music. Nobody just intuitively says, boy, I think I want to paint. They may want to paint, but they do not have an appreciation for fine art or fine classical music or classical literature. You do not just have that in you. Generally you have to be taught those things in life.

I assure you, Mr. Speaker, that children do not innately understand the beauty of America. It is just a place to them. It is where they were born. It is like if I had not even seen anything else, this is the world to me, so what is the big deal. They have to be taught. We have to believe it, we as parents have to believe and pass this on to our children. And we are.

And something is happening in our country that I believe deserves our attention. I do not mean that it is catastrophic. I am not claiming it is the end of civilization as we know it, especially Western civilization, although I am claiming it is a danger to Western civilization, and I do believe that we are in this world, as Mr. Huntington puts it in his book, ''Clash of Civilizations,'' we are, in fact, fighting, the West as a civilization is in a way at war. Not a war we have brought upon ourselves, but a war started a long time ago. It is a clash that we have been wrestling with, dealing with for literally hundreds of years. It is the West against radical Islam. That is the most dramatic clash of civilization that I can think of to date. And as I have said, it is a clash that has been going on for a long, long time.

I must disagree with those among us, those political pundits, those observers of the scene who suggest that the war we are in today is a war with only a small element of the religion of Islam, somebody that has, in fact, some group that has in effect highjacked the religion. I believe it is much broader than that. I believe we are at war with fundamentalist Islam. And it is far, far more expansive than just a small group of people who happened to climb into planes on September 11.

Speaking of that, one little interesting factoid I came across at some point in time, I cannot remember when, but in 1683 the Muslim armies made their greatest incursions into the West. It was the farthest they ever got and it was to the gates of Vienna. As we all know, the battle had been going on between the Crusaders and the Muslim world for some time and Islam, I should say, specifically for some time. And the farthest into the West that the Islamic armies were able to get was the gates of Vienna in 1683.

There the King of Poland turned back the Islamic armies. That was the last great battle of that clash, of that particular clash. And it is interesting to note the date of that battle, 1683, as I said, but more specifically the date was September 11, 1683.

Now, a coincidence, certainly very possible. An interesting little factoid, that is the way I always refer to it. But I am telling you that people in the Islamic world know this battle and know this date. It is not a tiny fragment of history to them. It is something very important to them.

My point is here we are in a clash of civilizations, I believe. Samuel Huntington's book I have referenced before and I reference it again tonight because I believe it is enormously important. I believe every American should read it. And by the way, I do not get any royalties or anything else. I know I have talked about it a lot, but it is just because I consider it to be a very, very good analysis. I read it once in the mid 1990s when it first came out. After September 11 I went back and read it again because I found it to be quite profound and quite prophetic.

Mr. Huntington talks about this clash of civilizations, which is the name of it. And I will not give a book report on it tonight, but I will say that for people who are still interested in analyzing the events leading up to September 11 and subsequent events, for people who are interested in looking at the background of the conflict right now going on in Israel with the Palestinians, the conflict that is now causing us to focus a great deal of attention on India and Pakistan, these are clashes of civilizations.

It is a clash of civilizations that goes on in Sudan. Sudan is perhaps the quintessential clash of civilization. Or maybe put it this way, a flash point in this clash of civilization. It is perhaps the best example we can look at to explain what is going on in the world today. Arabic north, Islam is the religion. Black African in the south with Christianity and animism as the religion. Two different cultures. Two different languages. Actually, many different languages. But two different countries essentially that have been artificially bound together by the British after their colonization. And after they actually left the country they created this here kind of artificial country we call Sudan. I say it is artificial because the two people groups have absolutely nothing to do with each other. They have nothing in common with each other. They have been fighting now for 47 years. They will be fighting for the next 100 years if the country continues to stay as it is today, one nation surrounded by one boundary.

I believe that Sudan needs to be divided into two nations. I believe the United States should recognize South Sudan as the new government of Sudan of the south. And we should do so quickly and provide them with whatever aid necessary to help them defend themselves against the Khartoum government.

□ 1830

So all that said, let me get back just now to the idea that Horatius was at the gates, and my point here is that if we did not tell our children about who we are, if we do not, in fact, explain to

them what the West really means, what Western civilization is all about, if we condemn Western civilization to the trash heap of history to our children via the way we explain it, via the way we teach it, then it is exactly where it will end up because when the time comes for the next Horatius to be at the gate, when the time comes for the next group of people to risk their lives on some beachhead far away or even nearby, where will they be? Where will they come from? Will Horatius be there for us? Who will be the next Horatius at our gate?

As I say today, thank God, I believe there are hundreds of thousands or millions of people who are willing to stand at the gate. I just wonder how long that will be the case if the generation is already coming up here in the United States that thinks of this country as not really worth fighting for.

I remember when I was in college, it was during the late 1960s, and we were in the midst of a very, very ugly war and a great deal of anti-war sentiment in the United States; and I remember a guy carrying a sign in a protest rally at my school, and it said there is nothing worth dying for. I remember thinking to myself at the time, I mean, here is a guy who looked like he had just gotten back from the spring break in Cozumel and who probably drove up to the campus in his BMW and really dressed really quite well under the circumstances, even though carrying a sign, not a lot of his friends were dressed very well, he was, and I remember thinking to myself, here is a person who lives in the greatest society ever created, ever to actually be on this planet, who has benefited in every possible way from the sacrifices of so many, here he is with a sign saying there is nothing worth dying for.

The most depressing part of that to me, Mr. Speaker, was really what could have been written there on the other side of the sign is there is nothing worth living for, and that is really the only other way that I think we can look at what he was really saying there and what a dull, drab life that must be, a life that gives someone nothing worth dying for and essentially nothing worth living for.

I think that although he may have been an aberration, that today there are far too many people that could hold up that same sign. They were in this professor's class at CU, as I mentioned earlier, and we have all come across them.

The clash of civilization that I mentioned is the big picture; and it gets down to a very specific thing: how do we see it in the United States. We saw it on 9–11, a very specific clash point of the clash of civilizations. And one of the other things that Huntington points out in his book that I found so interesting is he talked about massive immigration not just into the United States but all around the world and how that affects how nations act and react, especially democracies; and it is interesting to note that it is becoming more and more difficult for our friends and allies in Europe to actually put themselves in the position of supporting the United States as we may go into Iraq or other areas of the Middle East.

One of the reasons why they are having a difficult time doing that is, of course, over time, over the last decade or so, they have had a massive number of people come in who are Arabic, who are Muslim; and therefore they make up, of course, a bulk of the voting block in the country, and that puts pressure on a democratic government.

Here in the United States, we have certainly a massive immigration, not from the Middle East, although we have quite a number, we have massive immigration primarily from Mexico; but we have massive immigration from all over the world. There is an effect of massive immigration into the United States. It will have an effect, and it is something that needs to be discussed.

I know to many people it is kind of a frightening topic, one that a lot of people want to shy away from, but I believe that everything I have said tonight to date makes it imperative that we talk about this because it will impact who we are, what we are and whether we will in fact survive as a Nation and as the leader of the West in this clash.

We are becoming a cleft Nation, I think that is the way Huntington put it, as a matter of fact, cleft, split in half, because of massive immigration. We are developing two countries within this country, a country with two different languages, two different cultures, sets of ideas. We have a strange phenomenon that has never, ever happened before in the history of immigration into this country, which we all recognize fully well is everyone's background here, everyone, including Native Americans. At some point they came across a land bridge from Siberia. So everybody in this Nation is a result of someone immigrating, emigrating from where they are, emigrating into the United States or into North America.

Never before in the history of immigration into this Nation, even in the heyday, in the early 1900s, when my grandparents came, 1903 my grandfather came, never have we seen anything like this where people are refusing to actually disconnect from their country of origin and reconnect with America.

This is evidenced by many things, not the least of which is the very dramatic and very easy to explain, I guess, aspect of this phenomenon, that is, that there are now at least 6 million people in the United States that claim dual citizenship. This is unique. That has never happened before in America. When most people I know came to the country, they did so, as I say, even if they wanted to, really if they wanted to stay connected to their country of origin, it was very difficult to do. They came to the United States, and they lived in ghettoes where they could speak the language of their home country; but in a relatively short time, they were either overwhelmed by the country or themselves were forced into the American mainstream.

Again, this is not happening in America today. The multiculturalism phenomenon, the multiculturalism philosophy tells us we cannot forcibly have people integrate into our society; we have to teach them in their own language in our schools. We will do anything to help them actually separate themselves out of our society and create these Balkanized areas of the United States.

What we do is to instead of accentuating our common desires and common traits and characteristics, we accentuate all of the differences. That creates a Balkanized society. It is not a good thing, I believe.

I may be wrong. I certainly may be wrong in my interpretation of what massive immigration means to a culture, but I believe that at least it needs to be debated. That is the least we can expect when we recognize that the potential for having it affect America so dramatically is there.

Of course, there is a national security issue. Of course, there is a national security issue. Who for a moment thinks that our borders can possibly remain undefended and essentially porous and that we will not be, therefore, prime, prime targets for the next person who wants to come into the United States and do something untoward?

Not too long ago I was in Arizona, and we visited the border; and it is hard to believe that this is a picture of the border, but it is. On this side of this barb-wire fence here is the United States; on the other side, Mexico. There is a well-rutted road here, deeply rutted road, I should say, that comes through; and by the way, this road is not on any forest service map. This is not an official road. This is a road made by people coming into the country illegally. This is a gate they come through.

On this side of the gate there is a sign with the following words: ''All persons and vehicles must enter the United States at designated ports of entry only.'' This is underlined, a designated port of entry. Any person or vehicle entering this point is in violation of the U.S. code such and such, et cetera, et cetera. This is a sign facing the United States in a place along the border that is completely undefended, and it is almost an interesting metaphor for the entire problem here on the border.

Down here is another place along just a few miles from this one where this is Mexico on this side, this is the United States here, and there is a cattle guard at this gate. So no cattle can enter the country illegally at this point. We can rest assured of that. As we see, this road tells us anybody else can and they

do, in fact, enter illegally all of the time, in fact, by the hundreds of thousands. This particular area has now become the most heavily trafficked area along the border for drugs coming into the United States and for people coming in illegally.

So the idea that we have protected borders is an illusion; and so when we talk about immigration, when we talk about especially illegal immigration, which is really exemplified here, we have to understand there are implications for the United States. There are, as I say, cultural, political, economic and national security issues that we have to take into consideration when we talk about the border, and we may not like to. It is one of the things I know people, go, oh, geez, we are not going to talk about the border, not going to talk about immigration because we know a lot of people get upset when we talk about immigration.

Well, that is true; but they are going to just have to get upset because I believe it is an enormously important topic. It has implications of great magnitude, far beyond just the things that we have a tendency of talking about in terms of jobs and resource allocation and all the rest of that stuff. It has very, very significant implications, massive immigration, into this country. It deserves our attention.

Thank God tonight the President of the United States is going to be on nationwide television, I am told, in about 1¾ hours, at which time he is going to announce a proposal which I can only say is the most hopeful thing I have heard so far in this debate or the discussion we have been having over the past several months about immigration and immigration control.

It is a proposal to actually make the office of homeland defense a part of the Cabinet, a Cabinet-level Department with a lot of interesting responsibilities, and I do not know the extent to which the President will get into the details of this, but I will tell my colleagues that it is to his credit that he is bringing this up; and I do hope that the Congress of the United States responds quickly to his request for creation of this Cabinet-level Department, homeland security.

Because in it I am assuming he will have to have that part of the INS which is now identified as the enforcement arm. I am assuming we are talking about moving that there. I am assuming a lot of things here tonight because, as I say, I do not have all of the details. I am assuming that we are going to take certain roles and responsibilities away from other agencies, like Customs and Treasury and Agriculture. All of these agencies have specific functions for border patrol, border control, enforcement of our immigration laws.

□ 1845

And, of course, they are all confusing with each other. They do not talk to each other and do not operate under the same sort of rules, and they have different goals in mind.

So you can actually have people on the border, down near Nogales and El Paso and along the border where we have a port of entry, who actually watch the border through binoculars because they know each one of the various stations are personed by someone else, by some other agency. And so they will watch to see which station is actually being guarded by border patrol, which is being guarded by Agriculture, which is being guarded by Customs, and if you are smuggling people in, you go through one; and if you are smuggling drugs in, you go through another.

So you have somebody at the border watching through binoculars looking and radioing down and saying, go through this line, go through that line, depending on what you are smuggling in. That is how goofy the whole system is today, and that is what needs to be corrected, and I am assuming will be corrected when the President speaks to the Nation tonight in terms of at least his policy.

Now, whether we will do anything about it is another question. Because as you know, Mr. Speaker, one of the most difficult jobs we have in this Congress is getting over not only the kind of philosophical hurdles that confront us with various pieces of legislation, but also there are massive egos involved. There is a news flash for you; that politicians have big egos. But there are a lot of people here in this body who, frankly, are going to be asked to have to give up some part of their committee oversight responsibility, and this will not go down well.

You know and I know what will happen, Mr. Speaker, the minute that that comes before a committee chairman of long-standing who says, what, you mean to tell me my little part of this thing here is going to be taken away and given to somebody else? Not on your life. So we will start this horrendous battle in the Congress of the United States to see whose ego is able to keep this Nation from actually moving forward in terms of immigration reform. It is discouraging, but I predict that that is what is going to happen.

The President, if he does what I think he is going to do here in 1 hour and 15 minutes, will set the ball in our court with this creation of the homeland defense agency, which has a specific purpose, and the purpose is to defend our borders. It will know what it is supposed to do, it will have a clear line of authority, it will have a lot of people who are employed there who have an understanding of exactly what it is we expect of them, as opposed to the situation today, where we have the INS, these two groups within INS, one enforcement and one I call the welcome wagon, and they really do not fit each other.

And even if we change those groups, even if we split those functions, as the bill that passed this House sometime ago attempted to do, we will have exactly the same people mismanaging the new agency as we have mismanaging the present agency. We will have two different lines, two different little captions on their doors, that sort of thing, but the people will be the same. And that is the problem. We have to get out of that agency. We have to get a brand new agency constructed with new people, with a common purpose in mind, dedicated to their job, and that is to protect the borders of this country and, in fact, provide homeland security.

This is a list that our immigration reform caucus came up with in October. This is actually October of 2001. We presented this list at a press conference, and we suggested that there were a lot of things we could be doing to improve the security of the border.

Number one on this list is to create a unified border security agency. A new agency to be responsible for all aspects of securing the border, including, but not limited to, responsibilities currently handled by INS, State, Customs, and the Coast Guard. That was our number one priority back in October of 2001.

I am so glad to say that it is at least now taking conceptual form, as the President of the United States is going to tell us about this evening. Or I guess I should say I hope. That is what I have been told is going to happen, and my comments tonight are all based upon that assumption.

The next thing we said was to establish a unified interagency database for the purpose of conducting background checks on visa applicants. We passed that in the House on October 12, 2001.

Number three. An automated entry and exit system for foreign visitors. This was passed and signed into law. This is the Feinstein-Kyl bill. The Justice Department announced just yesterday initial plans for implementing this particular part of the proposal.

Number four. Maintain computerized database on foreign students. Also part of the Feinstein-Kyl bill that we have passed.

Number five. Restore political ideologies grounds for exclusion and deportation. This did pass the House again on October 12, 2001.

Number six. Restore authority of consular officers as their first line of defense. We have not done that.

Number seven. Reestablish meaningful deterrents against illegal immigration. Well, that is certainly something we have not been able to accomplish so far. But I am hoping that part of what happens tonight with the creation of this new cabinet level agency will do that.

We have, however, passed several pieces of legislation requiring the INS to hire more enforcement personnel. But because of the huge attrition rates in the INS, increasing the total number of agents has been very difficult.

One of the things we put here is a sense of the Congress calling on governors of border States, both north and

south, to place National Guard troops on their State borders, Canadian border, Mexican border. It was removed from the defense appropriation bill last year. We did pass something similar to that in the House not too long ago that will probably be taken up in the Senate.

Eight. Restore asylum protection to its original intent. It is one of the most abused categories we presently have for people coming into the United States. They simply call themselves a refugee and immediately get asylum, and then we never see them again. They never come back to any sort of hearing to determine whether they are, and we allow this. We say that is all you have to do, just say you are a refugee and then come back in a couple of months and we will have a hearing. Of course, they say that when they get here, and we never see them again. We have not done anything about that.

Number nine. Establish greater cooperation between local and Federal agencies and immigration law enforcement.

This is an interesting one. The Justice Department considered a proposal to encourage cooperation between INS and local law enforcement, essentially deputizing local law enforcement agents as INS agents. After a backlash from the immigrant groups, the Department of Justice appears to have backed off of this particular proposal.

Number 10. Establishing electronic verification of identity documents for employment. Have not done that yet.

Number 11. Reject further extension of 245(i). 245(i) is amnesty. We have not rejected it, it has just not made it out of the Congress so far. We came close. We came within one vote of rejecting it on this House floor not too long ago. It now is over in the Senate, where I understand that a particular member of the other body has put a hold on this provision, the 245(i) extension.

Twelve. Abolish the diversity visa program which awards large numbers of visas annually to states that sponsor terrorism.

Have not done that. We should. In fact, at last count, 55,000 visas have been approved since September 11 to people from countries on the terrorist list; 55,000.

Thirteen. Implement a temporary moratorium on immigration in order to reduce the workload of the INS, and give agencies time to implement the provisions of our entire plan. Include an executive waiver for national security reasons.

Of course, that has not been done. I have a bill to put a moratorium on for at least 5 years. I do not think it will get heard, that is the best guess I have, anyway, in committee.

Direct Immigration and Naturalization Service to begin identifying, finding and removing aliens against whom a deportation or removal order has been issued but not enforced.

We have not done that. We have, since we published this, we have forced the INS to actually tell us how many people fit that category. How many people are in the country, we said, who have been ordered to be deported?

Now, these people, by the way, these are not people who got a parking fine. These people raped, robbed, murdered, did something, violated our laws, committed a felony, ended up in court and were aliens and were, therefore, subject to deportation.

A judge somewhere, an immigration judge, and by the way, these are not the hard core judges. These are not the hanging judges. These are immigration law judges who, more often than not, let you off with the slightest penalty. But a judge somewhere listened to the case and hammered down and said this person is out of here, is to be deported. Then they walk out the door and we never see them again.

The INS does not take them into custody. Sometimes they will send them a letter saying please report back in 6 months for deportation. Of course, it is called a run letter because when people get it, they run. So we have not accomplished much here, except we have gotten them to finally tell us how many. First they said 300,000. They have revised it upward. They now think it is about 500,000; 500,000 people have been ordered deported from the United States for violating a law, and they have simply walked out the door and we have never seen them again. These are the INS numbers. So, believe me, take that with a grain of salt as to what the real numbers are.

Well, again, I hope and pray that the President tonight is going to do what I have been told he is, what I have been told is going to happen, to announce the creation of this new department level agency, and perhaps we will know more about the specifics, what it will really mean. But as I say, Mr. Speaker, if this is what he does tonight, if this is what he proposes, then it is up to us to follow through. Because the next time something happens, we will only have ourselves to blame if we do not do everything that we can do.

CORRECTION TO THE CONGRESSIONAL RECORD OF JUNE 4, 2002, AT PAGE H3102

The following version of H. Con. Res. 36 and the amendment in the nature of a substitute was inadvertently printed in the RECORD incorrectly. The correct versions are as follows:

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 36

Whereas over one million Americans suffer from juvenile (Type 1) diabetes, a chronic, genetically determined, debilitating disease affecting every organ system;

Whereas 13,000 children a year—35 each day—are diagnosed with juvenile diabetes;

Whereas 17,000 adults a year—46 each day—are diagnosed with juvenile diabetes;

Whereas juvenile diabetes is one of the most costly chronic diseases of childhood;

Whereas insulin treats but does not cure this potentially deadly disease and does not prevent the complications of diabetes, which include blindness, heart attack, kidney failure, stroke, nerve damage, and amputations;

Whereas the Diabetes Research Working Group, a non-partisan advisory board established to advise Congress, has called for an accelerated and expanded diabetes research program at the National Institutes of Health and has recommended a $4.1 billion increase in Federal funding for diabetes research at the National Institutes of Health over the next five years; and

Whereas a strong public private partnership to fund juvenile diabetes exists between the Federal Government and the Juvenile Diabetes Foundation, a foundation which has awarded more than $326 million for diabetes research since 1970 and will give $100 million in fiscal year 2001: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That Federal funding for diabetes research should be increased in accordance with the recommendations of the Diabetes Research Working Group so that a cure for juvenile diabetes can be found.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. TAUZIN

Mr. TAUZIN. Madam Speaker, I offer an amendment to the text.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. TAUZIN: strike out all after the resolving clause and insert:

That Federal funding for diabetes research should be increased annually as recommended by the Diabetes Research Working Group so that a cure for juvenile diabetes can be found.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. UNDERWOOD (at the request of Mr. GEPHARDT) for June 5 and 6 on account of official business.

Mr. COMBEST (at the request of Mr. ARMEY) for today on account of personal reasons.

Mrs. EMERSON (at the request of Mr. ARMEY) for today after 1:00 p.m. on account of attending son's high school graduation.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. GREEN of Texas) to revise and extend their remarks and include extraneous material:)

Mr. FILNER, for 5 minutes, today.

Ms. NORTON, for 5 minutes, today.

Mr. GREEN of Texas, for 5 minutes, today.

Ms. KAPTUR, for 5 minutes, today.

(The following Members (at the request of Mr. WILSON of South Carolina) to revise and extend their remarks and include extraneous material:)

Mr. SHIMKUS, for 5 minutes, today.

Mr. WILSON of South Carolina, for 5 minutes, today.

Mr. GUTKNECHT, for 5 minutes, today.

Mr. PENCE, for 5 minutes, today.

Mr. JONES of North Carolina, for 5 minutes, June 11.

Mr. HUNTER, for 5 minutes, today.

Mr. LEACH, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. FOLEY, for 5 minutes, today.

ADJOURNMENT

Mr. TANCREDO. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 57 minutes p.m.), under its previous order, the House adjourned until Monday, June 10, 2002, at 2 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

7218. A letter from the Administrator, Department of Agriculture, transmitting the Department's final rule—Tobacco Inspection; Mandatory Grading [Docket No. TB–02–11] received May 23, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

7219. A letter from the General Counsel, National Credit Union Administration, transmitting the Administration's final rule—Prompt Corrective Action; Requirements For Insurance—received May 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

7220. A letter from the Secretary, Department of Energy, transmitting a report on the comprehensive status of Exxon and Stripper Well Oil Overcharge Funds, Forty-Fifth Report April 1, 2000 through December 31, 2000; to the Committee on Energy and Commerce.

7221. A letter from the Director, Defense Security Cooperation Agency, transmitting notification concerning the Department of the Air Force's proposed Letter(s) of Offer and Acceptance (LOA) to Kuwait for defense articles and services (Transmittal No. 02–20), pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

7222. A letter from the Director, Defense Security Cooperation Agency, transmitting notification concerning the Department of the Air Force's proposed Letter(s) of Offer and Acceptance (LOA) to the Taipei Economic and Cultural Representative Office in the United States for defense articles and services (Transmittal No. 02–21), pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

7223. A letter from the Director, Defense Security Cooperation Agency, transmitting notification concerning the Department of the Army's proposed Letter(s) of Offer and Acceptance (LOA) to Egypt for defense articles and services (Transmittal No. 02–28), pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

7224. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a copy of the Treaty between the United States of America and the Russian Federation on strategic offensive reductions; to the Committee on International Relations.

7225. A letter from the Secretary, Department of the Interior, transmitting the semiannual report on the activities of the Office of Inspector General for the period October 1, 2001, through March 31, 2002, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform.

7226. A letter from the Secretary, Department of Transportation, transmitting the semiannual report on the activities of the Office of Inspector General for the period April 1, 2001 through September 30, 2001, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform.

7227. A letter from the Senior Vice President, CFO, Potomac Electric Power Company, transmitting a copy of the Balance Sheet of Potomac Electric Power Company as of December 31, 2001, pursuant to D.C. Code section 43–513; to the Committee on Government Reform.

7228. A letter from the Chief Executive Officer, Corporation for National Service, transmitting the semiannual report on the activities of the Office of Inspector General for the period October 1, 2001 through March 31, 2002, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform.

7229. A letter from the Director, White House Liaison, Department of Commerce, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

7230. A letter from the General Counsel, Department of Housing and Urban Development, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

7231. A letter from the Writer-Editor, Management and Planning Division, Department of Justice, transmitting the semiannual report on the activities of the Office of Inspector General for the period October 1, 2001 through March 31, 2002, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform.

7232. A letter from the Secretary, Department of Transportation, transmitting the Secretary's Management Report on Management Decisions and Final Actions on Office of Inspector General Audit Recommendations for the period ending September 30, 2001, pursuant to 31 U.S.C. 9106; to the Committee on Government Reform.

7233. A letter from the Secretary, Department of Veterans' Affairs, transmitting the semiannual report on activities of the Inspector General for the period October 1, 2001, through March 31, 2002, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform.

7234. A letter from the Chairman, International Trade Commission, transmitting the semiannual report on the activities of the Office of Inspector General for the period October 1, 2001 through March 31, 2002, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform.

7235. A letter from the Acting Chairman, National Endowment for the Arts, transmitting the semiannual report on the activities of the Office of Inspector General for the period October 1, 2001 through March 31, 2002, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform.

7236. A letter from the Chairman, U.S. Postal Service, transmitting the semiannual report on activities of the Inspector General for the period ending March 31, 2002, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 8G(h)(2); to the Committee on Government Reform.

7237. A letter from the Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior, transmitting the Department's final rule—Endangered and Threatened Wildlife and Plants; Critical Habitat Designation for Chorizanthe robusta var. robusta (RIN: 1018–AH83) received May 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

7238. A letter from the Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior, transmitting the Department's final rule—Endangered and Threatened Wildlife and Plants; Critical Habitat Designation for Chorizanthe robusta var. hartwegii (RIN: 1018–AH82) received May 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

7239. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Modification of Class D Airspace; Mosinee, WI; modification of class E Airspace; Mosinee, WI [Airspace Docket No. 01–AGL–10] received May 17, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7240. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Modification of Class D Airspace; Bloomington, IL; modification of Class E Airspace; Bloomington, IL [Airspace Docket No. 01–AGL–06] received May 17, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7241. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Modification of Class D Airspace; Bloomington, IL; modification of class E Airspace; Bloomington, IL [Airspace Docket No. 01–AGL–06] received May 17, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7242. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Marine Sanitation Devices (MSDs); Regulation to Establish a No Discharge Zone (NDZ) for State Waters within the Boundary of the Florida Keys National Marine Sanctuary (FKNMS) [FRL–7212–4] received May 14, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7243. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Contingent payment debt instruments (Rev. Rul. 2002–31) received May 23, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

7244. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Contingent Convertible Debt Instruments—Request for Comments (Notice 2002–36) received May 23, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

7245. A letter from the Secretaries, Department of Veterans' Affairs and Department of Defense, transmitting a report for FY 2001 regarding the implementation of the health resources sharing portion of the Department of Veterans' Affairs and Department of Defense Health Resources Sharing and Emergency Operations Act; jointly to the Committees on Armed Services and Veterans' Affairs.

7246. A letter from the Assistant Secretary for Congressional and Legislative Affairs, Department of Veterans' Affairs, transmitting the Fiscal Year 2002 Veterans Equitable Resource Allocation (VERA); jointly to the Committees on Veterans' Affairs and Appropriations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. YOUNG of Alaska Committee on Transportation and Infrastructure. H.R. 1979.

A bill to amend title 49, United States Code, to provide assistance for the construction of certain air traffic control towers; with an amendment (Rept. 207–496). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. HYDE:

H.R. 4877. A bill to require periodic assessments of the impact and effectiveness of United States economic assistance to foreign countries; to the Committee on International Relations.

By Mr. HORN (for himself and Mr. BURTON of Indiana):

H.R. 4878. A bill to provide for reduction of improper payments by Federal agencies; to the Committee on Government Reform.

By Mr. SMITH of New Jersey (by request):

H.R. 4879. A bill to amend title 38, United States Code, to transfer from the Secretary of Labor to the Secretary of Veterans Affairs certain responsibilities relating to the provision of employment and other services to veterans and other eligible persons; to require the establishment of a new competitive grants program through which employment services shall be provided to veterans, servicemembers, and other eligible persons, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. RANGEL (for himself and Mr. GEPHARDT):

H.R. 4880. A bill to amend the Internal Revenue Code of 1986 to prevent the continued use of renouncing United States citizenship as a device for avoiding United States taxes; to the Committee on Ways and Means.

By Mr. BARTON of Texas (for himself and Mr. HALL of Texas):

H.R. 4881. A bill to prohibit pyramid promotional schemes, and for other purposes; to the Committee on Energy and Commerce.

By Mr. YOUNG of Alaska (for himself, Mr. GILCHREST, and Mr. SAXTON):

H.R. 4882. A bill to revise and modernize the provisions of law governing the commissioned officer corps of the National Oceanic and Atmospheric Administration; to the Committee on Resources, and in addition to the Committees on Armed Services, Veterans' Affairs, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. YOUNG of Alaska (for himself, Mr. HANSEN, Mr. GILCHREST, and Mr. SAXTON):

H.R. 4883. A bill to reauthorize the Hydrographic Services Improvement Act of 1998, and for other purposes; to the Committee on Resources.

By Mr. BARR of Georgia (for himself, Mr. DEAL of Georgia, Mr. HAYES, Mr. KINGSTON, Mr. NORWOOD, and Mr. TIBERI):

H.R. 4884. A bill to amend the Internal Revenue Code of 1986 to provide a refundable tax credit of $1,000 to teachers of elementary and secondary school students, and to provide and expand deductions for unreimbursed expenses for continuing education and classroom materials for such teachers; to the Committee on Ways and Means.

By Mr. BORSKI:

H.R. 4885. A bill to suspend temporarily the duty on Thiophanate-Methyl; to the Committee on Ways and Means.

By Mr. CHAMBLISS:

H.R. 4886. A bill to amend title 32, United States Code, to authorize the appointment of National Guard officers as commanders of units composed of both active duty military personnel and members of the National Guard in nonfederal status; to the Committee on Armed Services.

By Mr. CRANE (for himself, Mr. RANGEL, and Mr. HAYWORTH):

H.R. 4887. A bill to amend the Internal Revenue Code of 1986 to treat Indian tribes the same as State governments for purposes of chapter 35 of such Code; to the Committee on Ways and Means.

By Mr. DINGELL (for himself, Mr. PALLONE, Mr. MARKEY, Mr. TOWNS, Mr. ENGEL, Ms. SLAUGHTER, Mrs. MALONEY of New York, Mr. WYNN, Mr. BROWN of Ohio, Mr. RUSH, Mrs. CAPPS, Mr. DOYLE, Mr. SERRANO, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. STRICKLAND, Mrs. LOWEY, Mr. WAXMAN, Mr. BARRETT, Ms. KAPTUR, Ms. HARMAN, Mr. GREEN of Texas, Ms. MCCARTHY of Missouri, Ms. ESHOO, Ms. DEGETTE, Mr. MCNULTY, and Mr. JOHN):

H.R. 4888. A bill to reauthorize the Mammography Quality Standards Act, and for other purposes; to the Committee on Energy and Commerce.

By Mrs. JOHNSON of Connecticut (for herself, Mr. THOMAS, Mr. HOUGHTON, Mr. FLETCHER, Mrs. MORELLA, Mr. HAYWORTH, Mr. WELLER, and Mr. CAMP):

H.R. 4889. A bill to amend title XI of the Social Security Act to improve patient safety; to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mrs. KELLY:

H.R. 4890. A bill to provide for Medicare reimbursement for health care services provided to Medicare-eligible veterans in facilities of the Department of Veterans Affairs; to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Ms. NORTON:

H.R. 4891. A bill to prohibit discrimination on the basis of certain factors with respect to any aspect of a surety bond transaction; to the Committee on the Judiciary.

By Mr. PAUL:

H.R. 4892. A bill to restore to the original owners certain lands that the Federal Government took for military purposes in 1940; to the Committee on Resources, and in addition to the Committee on Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. PETERSON of Pennsylvania:

H.R. 4893. A bill to authorize the Secretary of Agriculture to convey certain lands and improvements associated with the National Forest System in the State of Pennsylvania, and for other purposes; to the Committee on Agriculture.

By Mr. QUINN (for himself, Mr. MEEHAN, Mr. MCHUGH, Mr. PASCRELL, Mr. LEACH, Mr. SIMMONS, and Mr. KILDEE):

H.R. 4894. A bill to amend Public Works and Economic Development Act of 1965 to provide assistance for brownfield site redevelopment, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. SAXTON:

H.R. 4895. A bill to establish within the National Marine Fisheries Service a pelagic longline highly migratory species bycatch and mortality reduction research program, and for other purposes; to the Committee on Resources.

By Mr. SHIMKUS (for himself, Mr. TOWNS, Mr. ENGEL, and Mr. BROWN of Ohio):

H.R. 4896. A bill to require the Consumer Product Safety Commission to amend its flammability standards for children's sleepwear under the Flammable Fabrics Act; to the Committee on Energy and Commerce.

By Mr. SHOWS (for himself and Mr. TAYLOR of Mississippi):

H.R. 4897. A bill to amend of the National Defense Authorization Act for Fiscal Year 2002 to repeal the authority of the President to commence a 2005 round for the selection of military installations for closure or realignment under the Defense Base Closure and Realignment Act of 1990; to the Committee on Armed Services.

By Mr. SHOWS:

H.R. 4898. A bill to amend the Low-Income Home Energy Assistance Act of 1981 to address the needs of low-income households in States with high needs for cooling assistance, by adjusting a hold harmless provision; to the Committee on Energy and Commerce, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. STUPAK (for himself and Mrs. THURMAN):

H.R. 4899. A bill to amend the Internal Revenue Code of 1986 to give priority to reducing Federal tax refunds for all past-due child support before any other reductions allowed by law; to the Committee on Ways and Means.

By Mr. WATTS of Oklahoma:

H.R. 4900. A bill to establish a National Climate Change Vulnerability and Resilience Program, and for other purposes; to the Committee on Science.

By Mr. SESSIONS (for himself, Mr. ADERHOLT, Mr. AKIN, Mr. ANDREWS, Mr. ARMEY, Mr. BACHUS, Mr. BAKER, Mr. BALLENGER, Mr. BARCIA, Mr. BARR of Georgia, Mr. BARTLETT of Maryland, Mr. BARTON of Texas, Mrs. BIGGERT, Mr. BILIRAKIS, Mr. BLUNT, Mr. BOEHNER, Mr. BONILLA, Mrs. BONO, Mr. BRADY of Texas, Mr. BRYANT, Mr. BURR of North Carolina, Mr. BURTON of Indiana, Mr. CALLAHAN, Mr. CALVERT, Mr. CAMP, Mr. CANNON, Mr. CANTOR, Mr. CASTLE, Mr. CHABOT, Mr. CHAMBLISS, Mr. COMBEST, Mr. CONDIT, Mr. COOKSEY, Mr. COX, Mr. CRANE, Mrs. CUBIN, Mr. CULBERSON, Mr. DELAY, Mr. DEMINT, Mr. DOOLITTLE, Mr. DUNCAN, Ms. DUNN, Mr. EHLERS, Mrs. EMERSON, Mr. ENGLISH, Mr. EVERETT, Mr. FERGUSON, Mr. FLAKE, Mr. FLETCHER, Mr. FOLEY, Mr. FORBES, Mr. FOSSELLA, Mr. FRELINGHUYSEN, Mr. GALLEGLY, Mr. GIBBONS, Mr. GILCHREST, Mr. GILMAN, Mr. GOODE, Mr. GOODLATTE, Ms. GRANGER, Mr. GREEN of Wisconsin, Mr. GREENWOOD, Mr. HALL of Texas, Mr. HANSEN, Ms. HART, Mr. HASTERT, Mr. HASTINGS of Washington, Mr. HAYWORTH, Mr. HEFLEY, Mr. HILLEARY, Mr. HOEKSTRA, Mr. HORN, Mr. ISAKSON, Mr. ISSA, Mr. ISTOOK, Mr. JENKINS, Mr. JOHN, Mr. SAM JOHNSON of Texas, Mr. JONES of North Carolina, Mr. KELLER, Mrs. KELLY, Mr. KERNS, Mr. KINGSTON, Mr. KNOLLENBERG, Mr. LAHOOD, Mr.

LATOURETTE, Mr. LEWIS of Kentucky, Mr. LINDER, Mr. LUCAS of Kentucky, Mr. MALONEY of Connecticut, Mr. MANZULLO, Mr. MCINTYRE, Mr. MICA, Mr. DAN MILLER of Florida, Mr. GARY G. MILLER of California, Mr. JEFF MILLER of Florida, Mrs. MYRICK, Mr. NETHERCUTT, Mrs. NORTHUP, Mr. NORWOOD, Mr. OXLEY, Mr. PAUL, Mr. PENCE, Mr. PETERSON of Pennsylvania, Mr. PICKERING, Mr. PITTS, Mr. POMBO, Mr. PORTMAN, Ms. PRYCE of Ohio, Mr. QUINN, Mr. RADANOVICH, Mr. RAMSTAD, Mr. RILEY, Mr. ROHRABACHER, Mrs. ROUKEMA, Mr. ROYCE, Mr. RYAN of Wisconsin, Mr. RYUN of Kansas, Mr. SAXTON, Mr. SCHAFFER, Mr. SENSENBRENNER, Mr. SHADEGG, Mr. SHIMKUS, Mr. SHOWS, Mr. SIMPSON, Mr. SKEEN, Mr. SMITH of Texas, Mr. SMITH of Michigan, Mr. SOUDER, Mr. STEARNS, Mr. STUMP, Mr. SUNUNU, Mr. SWEENEY, Mr. TANCREDO, Mr. TAUZIN, Mr. TAYLOR of North Carolina, Mr. TERRY, Mr. THUNE, Mr. TIAHRT, Mr. TOOMEY, Mr. TRAFICANT, Mr. UPTON, Mr. VITTER, Mr. WALDEN of Oregon, Mr. WAMP, Mr. WATTS of Oklahoma, Mr. WELDON of Pennsylvania, Mr. WELDON of Florida, Mr. WELLER, Mr. WILSON of South Carolina, and Mr. YOUNG of Alaska):

H.J. Res. 96. A joint resolution proposing a tax limitation amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. GEKAS:

H. Con. Res. 414. Concurrent resolution commending the Pennsylvania National Guard for its exemplary service to the United States in the war against terrorism and other recent deployments; to the Committee on Armed Services.

By Mr. MOORE (for himself, Mr. UDALL of New Mexico, Mrs. CAPPS, Mrs. TAUSCHER, Mr. BOYD, Mr. STRICKLAND, Mr. THOMPSON of California, Ms. LOFGREN, Ms. BALDWIN, Mr. UDALL of Colorado, Mr. LARSEN of Washington, Mr. CARSON of Oklahoma, Ms. SLAUGHTER, Mr. PASCRELL, Mr. POMEROY, Mr. TURNER, Mrs. MALONEY of New York, Ms. ESHOO, Ms. WATERS, Ms. MCCARTHY of Missouri, Mr. ISRAEL, Mr. BECERRA, Mr. GEORGE MILLER of California, Mr. MCDERMOTT, Ms. SCHAKOWSKY, Ms. BERKLEY, Mr. BAIRD, Mr. CROWLEY, Mr. LANGEVIN, Mr. SANDLIN, Mr. SHERMAN, Mr. INSLEE, Ms. SANCHEZ, and Mr. HINCHEY):

H. Res. 436. A resolution commending Special Agent Coleen Rowley for outstanding performance of her duties; to the Committee on the Judiciary.

By Mr. STUPAK (for himself, Mr. WELDON of Pennsylvania, Mr. HOEFFEL, Mr. BOEHLERT, Ms. ROYBAL-ALLARD, Mr. SUNUNU, Mr. HOLDEN, Mr. LUTHER, Mrs. NAPOLITANO, Mr. QUINN, Mr. GILMAN, Mr. LANTOS, Mr. SMITH of Washington, Mr. MCNULTY, Mr. CAPUANO, Mr. FARR of California, Mrs. TAUSCHER, Mr. BARRETT, Mr. MCGOVERN, Mr. DAVIS of Illinois, Mr. GREEN of Texas, Mr. DELAHUNT, Mr. COSTELLO, Mr. KING, Mr. KANJORSKI, Mr. GREENWOOD, Mr. WU, Mr. WEINER, Mr. TERRY, Mr. SAM JOHNSON of Texas, Mr. KNOLLENBERG, Mr. BROWN of Ohio, Mr. GORDON, Mr. BONIOR, Mr. PETRI, Mr. DIAZ-BALART, Mr. ANDREWS, Mr. ROTHMAN, Mr. FORD, Mr. SABO, Mr. OXLEY, Mr. HOYER, Mrs. MCCARTHY of New York, Mr. RAMSTAD, Mr. MCINTYRE, Mr. PAYNE, Mr. MOLLOHAN, Mr. TIERNEY, Mr. STRICKLAND, Mr. BALDACCI, Mr. DOYLE, Mr. BRADY of Pennsylvania, Mr. MORAN of Virginia, Ms. SLAUGHTER, Mr. SNYDER, Mr. CUNNINGHAM, Mrs. MALONEY of New York, Mr. FROST, Mr. TOWNS, Mr. DINGELL, Mr. PASCRELL, Mr. POMEROY, Mr. LEVIN, Ms. DEGETTE, Mr. SANDERS, Mr. JOHN, Mr. STEARNS, Mr. BARR of Georgia, Mr. MALONEY of Connecticut, and Ms. MCCOLLUM):

H. Res. 437. A resolution requesting that the President focus appropriate attention on neighborhood crime prevention and community policing, and coordinate certain Federal efforts to participate in ''National Night Out'', including by supporting local efforts and neighborhood watches and by supporting local officials to provide homeland security, and for other purposes; to the Committee on the Judiciary.

By Mr. TOOMEY:

H. Res. 438. A resolution expressing the sense of the House of Representatives that improving men's health through fitness and the reduction of obesity should be a priority; to the Committee on Energy and Commerce.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 168: Mr. MCHUGH.
H.R. 512: Mr. HOLDEN.
H.R. 537: Mr. STUPAK and Ms. MCCOLLUM.
H.R. 600: Mr. SMITH of New Jersey and Ms. MCKINNEY.
H.R. 803: Mr. LAFALCE.
H.R. 831: Mrs. BIGGERT, Ms. EDDIE BERNICE JOHNSON of Texas, and Mr. SHUSTER.
H.R. 840: Mrs. MALONEY of New York, Mrs. JONES of Ohio, Mrs. JO ANN DAVIS of Virginia, and Mr. DIAZ-BALART.
H.R. 848: Mr. JACKSON of Illinois and Ms. MILLENDER-MCDONALD.
H.R. 854: Mr. DINGELL, Mr. DELAHUNT, and Mr. MOLLOHAN.
H.R. 869: Mr. BASS.
H.R. 951: Mr. LEWIS of California.
H.R. 990: Mr. PAYNE and Mr. KINGSTON.
H.R. 1073: Ms. MILLENDER-MCDONALD.
H.R. 1092: Mr. INSLEE.
H.R. 1109: Mr. MORAN of Kansas, Mrs. WILSON of New Mexico, and Mr. ISSA.
H.R. 1111: Mr. MARKEY.
H.R. 1182: Mr. HAYWORTH.
H.R. 1512: Mr. DAVIS of Illinois.
H.R. 1541: Mr. STUPAK and Ms. MCCOLLUM.
H.R. 1543: Mr. BARR of Georgia.
H.R. 1595: Mr. HOSTETTLER.
H.R. 1598: Mr. MORAN of Kansas and Mr. RANGEL.
H.R. 1609: Mr. BARR of Georgia.
H.R. 1701: Mr. TIBERI.
H.R. 1774: Mr. JENKINS, Mr. AKIN, Mr. CHAMBLISS, Mr. JEFF MILLER of Florida, and Mr. BARR of Georgia.
H.R. 1919: Mrs. WILSON of New Mexico.
H.R. 1923: Mr. PETERSON of Pennsylvania.
H.R. 2009: Mr. SHIMKUS.
H.R. 2055: Mr. BRADY of Texas.
H.R. 2145: Mr. SHIMKUS.
H.R. 2148: Mr. JACKSON of Illinois.
H.R. 2163: Mr. BECERRA.
H.R. 2258: Ms. VELAZQUEZ.
H.R. 2357: Mr. HAYWORTH.
H.R. 2462: Mr. ACKERMAN, Mr. SAXTON, and Mr. FRANK.
H.R. 2483: Ms. BALDWIN.
H.R. 2487: Mr. FROST, Mr. LIPINSKI, and Mr. JACKSON of Illinois.
H.R. 2570: Mr. FERGUSON, Mr. JEFFERSON, and Mr. CLAY.
H.R. 2573: Mr. SPRATT.
H.R. 2630: Mr. BISHOP and Mr. BACA.
H.R. 2692: Mr. DAVIS of Florida.
H.R. 2706: Mr. BOUCHER.
H.R. 2735: Mr. STENHOLM.
H.R. 2874: Mr. SMITH of Washington and Mr. BAIRD.
H.R. 2931: Mrs. BONO and Mr. BECERRA.
H.R. 3058: Mr. CLAY.
H.R. 3132: Mr. RUSH and Mr. BLAGOJEVICH.
H.R. 3139: Mr. PAUL.
H.R. 3154: Mr. SIMMONS and Ms. RIVERS.
H.R. 3206: Mr. HAYES.
H.R. 3223: Mrs. NAPOLITANO and Ms. SOLIS.
H.R. 3320: Mr. CANTOR.
H.R. 3324: Mr. NETHERCUTT, Mr. GRAHAM, and Mr. TERRY.
H.R. 3333: Mr. BILIRAKIS.
H.R. 3335: Mr. BORSKI, Mr. MCGOVERN, Ms. BALDWIN, Mr. HASTINGS of Florida, and Mr. CARSON of Oklahoma.
H.R. 3475: Mr. BALLENGER.
H.R. 3478: Mr. WAMP.
H.R. 3496: Mr. FOSSELLA, Ms. HART, Mr. MCNULTY.
H.R. 3584: Mr. GRUCCI and Mr. FROST.
H.R. 3741: Mr. CARSON of Oklahoma.
H.R. 3771: Mr. WEINER, Mrs. MCCARTHY of New York, Mr. ENGEL, and Mr. HINCHEY.
H.R. 3772: Mr. FOLEY.
H.R. 3792: Mrs. THURMAN.
H.R. 3794: Mr. HUNTER and Mr. GREENWOOD.
H.R. 3834: Mr. MALONEY of Connecticut and Mr. BARRETT.
H.R. 3842: Mr. ABERCROMBIE and Mr. PAUL.
H.R. 3855: Mr. ISSA.
H.R. 3882: Mr. WU, Mr. MOORE, Mr. ALLEN, Mr. CRAMER, Mr. CANNON, and Mr. QUINN.
H.R. 3884: Mr. HOYER, Mr. PASCRELL, Mr. PETERSON of Minnesota, Mr. HALL of Ohio, and Mr. JEFFERSON.
H.R. 3895: Mr. POMBO.
H.R. 3897: Mr. LAFALCE and Mr. PASCRELL.
H.R. 3912: Mr. CLAY and Mr. BONIOR.
H.R. 3973: Mr. KINGSTON, Mr. SESSIONS, Mr. OSE, Mrs. CAPITO, Mr. ROGERS of Michigan, Ms. HART, and Mr. ALLEN.
H.R. 3974: Ms. KAPTUR.
H.R. 3995: Mr. RAMSTAD, Mr. GRAHAM, Mr. JOHNSON of Illinois, Mr. TERRY, and Mr. GANSKE.
H.R. 4003: Mr. ACEVEDO-VILA.
H.R. 4010: Mr. KINGSTON and Mr. HOSTETTLER.
H.R. 4013: Mr. TOM DAVIS of Virginia.
H.R. 4018: Mr. UDALL of Colorado.
H.R. 4021: Mr. PHELPS.
H.R. 4025: Mr. ROSS and Mr. GEORGE MILLER of California.
H.R. 4027: Mr. ACEVEDO-VILA AND MS. HOOLEY of Oregon.
H.R. 4066: Mr. WATKINS, Mr. SWEENEY, and Mr. LIPINSKI.
H.R. 4078: Ms. VELAZQUEZ.
H.R. 4086: Mr. BAIRD.
H.R. 4481: Mr. BENTSEN.
H.R. 4483: Mr. MCINNIS, Mr. SAXTON, and Mr. SHAYS.
H.R. 4515: Mr. GREEN of Wisconsin.
H.R. 4555: Mr. ROHRABACHER and Mr. ENGLISH.
H.R. 4561: Mr. BOUCHER, Ms. WATSON, Mr. MOORE, Mr. HOSTETTLER, and Mrs. JO ANN DAVIS of Virginia.
H.R. 4614: Mr. HOLDEN, Mr. SERRANO, and Mr. BARRETT.
H.R. 4621: Mr. CARSON of Oklahoma, Ms. MCKINNEY, Mr. UNDERWOOD, and Mr. MURTHA.
H.R. 4635: Mr. CALVERT, Mr. STUMP, and Mr. MCINNIS.
H.R. 4645: Mr. PASTOR.
H.R. 4653: Mr. LAMPSON.
H.R. 4655: Ms. KAPTUR and Mr. FRANK.
H.R. 4660: Mr. CLEMENT and Mr. BALDACCI.
H.R. 4670: Mr. GEORGE MILLER of California.
H.R. 4676: Mrs. CAPITO and Mr. HOLDEN.
H.R. 4680: Mr. HASTINGS of Florida, Mr. HONDA, Mr. SNYDER, Mr. LAMPSON, Mr. HINOJOSA, Mr. FROST, and Mr. MCDERMOTT.

H.R. 4688: Mr. KOLBE.

H.R. 4691: Mr. SOUDER, Mr. CRANE, Mr. FORBES, Mr. HILLEARY, Mrs. JO ANN DAVIS of Virginia, Mr. SUNUNU, Mr. WELLER, and Mr. HOSTETTLER.

H.R. 4693: Ms. GRANGER, Ms. ROS-LEHTINEN, Mr. DOOLEY of California, Mr. SMITH of New Jersey, Mr. SOUDER, Mr. SCHROCK, Mr. SESSIONS, Mr. ANDREWS, Mr. TERRY, Mr. PALLONE, Mr. CARSON of Oklahoma, Mrs. JO ANN DAVIS of Virginia, Mr. HOEFFEL, Mr. ISRAEL, Mr. GREEN of Texas, Ms. HART, Mr. OTTER, and Mr. MCNULTY.

H.R. 4711: Mr. CROWLEY, Mr. PAYNE, Mr. OWENS, Mr. JACKSON of Illinois, and Mr. HASTINGS of Florida.

H.R. 4716: Mr. BILIRAKIS and Mr. RILEY.

H.R. 4736: Mr. SHAYS.

H.R. 4754: Mrs. CAPITO, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. KINGSTON, and Ms. MCCOLLUM.

H.R. 4778: Mrs. CHRISTENSEN, Mr. HILLIARD, Mr. DOYLE, Mr. GUTIERREZ, Ms. JACKSON-LEE of Texas, and Mr. UDALL of Colorado.

H.R. 4785: Mr. HASTINGS of Washington and Mr. CUNNINGHAM.

H.R. 4798: Mr. LIPINSKI.

H.R. 4804: Mr. COOKSEY, Mr. LATOURETTE, Mr. SESSIONS, Mr. SHIMKUS, Mr. HOSTETTLER, Mr. JONES of North Carolina, Mrs. MYRICK, Mr. RYUN of Kansas, Ms. HART, Mr. COX, Mrs. CUBIN, Mr. SHADEGG, Mr. AKIN, Mr. BARTLETT of Maryland, Mr. HOEKSTRA, Mr. PENCE, Mr. SULLIVAN, and Mr. GUTKNECHT.

H.R. 4810: Mr. HOUGHTON.

H.R. 4811: Mr. STUPAK and Mr. JEFF MILLER of Florida.

H.R. 4832: Mr. SANDLIN, Mr. FROST, Mr. GEPHARDT, Mr. TIERNEY, and Mr. BARRETT.

H.R. 4833: Mr. SANDLIN, Mr. FROST, Mr. GEPHARDT, Mr. TIERNEY, and Mr. BARRETT.

H.R. 4839: Mr. SHUSTER.

H.R. 4843: Mr. SKELTON, Mr. BLUNT, Mr. GUTKNECHT, and Mr. MORAN of Kansas.

H.R. 4854: Mr. ISAKSON, Mr. PLATTS, Mr. TIBERI, Mr. WILSON of South Carolina, Mr. PUTNAM, Ms. MCKINNEY, Mr. UPTON, Ms. HART, Mr. PORTMAN, Mr. GEORGE MILLER of California, Mr. GREENWOOD, and Mr. ENGLISH.

H.J. Res. 6: Mr. EHRLICH.

H.J. Res. 23: Mr. QUINN.

H. Con. Res. 230: Mr. CHABOT.

H. Con. Res. 260: Ms. WOOLSEY.

H. Con. Res. 287: Mr. GILCHREST, Ms. MCKINNEY, Mrs. CLAYTON, Mr. CROWLEY, Mr. TOWNS, and Mr. UDALL of Colorado.

H. Con. Res. 362: Ms. HART.

H. Con. Res. 382: Mr. GEORGE MILLER of California and Mr. HONDA.

H. Res. 18: Mr. OLVER, Mr. ENGEL, Mrs. JONES of Ohio, Mr. BROWN of Ohio, Ms. MCKINNEY, Mr. HOEFFEL, Mr. JEFFERSON, Ms. LOFGREN, Mr. MALONEY of Connecticut, Mr. UNDERWOOD, Mr. SAWYER, Mr. JACKSON of Illinois, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. MEEHAN, Mr. GONZALEZ, Mrs. JOHNSON of Connecticut, Mr. THOMPSON of California, Mr. EVANS, Mr. WU, Mr. BARRETT, Mr. BECERRA, Mr. KUCINICH, Mr. LANTOS, Mr. LAMPSON, Ms. WATSON, Mr. BENTSEN, Mr. RANGEL, Mr. PRICE of North Carolina, and Mr. FRANK.

H. Res. 416: Mr. KERNS, Mr. PENCE, and Mr. JONES of North Carolina.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 7 of rule XII, sponsors were deleted from public bills and resolutions as follows:

H.R. 4865: Mr. PLATTS.

DISCHARGE PETITIONS—ADDITIONS OR DELETIONS

The following Members added their names to the following discharge petitions:

Petition 4, by Mr. CUNNINGHAM on House Resolution 271: Van Hilleary, Lindsey O. Graham and Barney Frank.