

Message to the Congress Transmitting a Report on Science and Engineering Indicators

June 8, 2000

To the Congress of the United States:

As required by 42 U.S.C. 1863(j)(1), I am pleased to submit to the Congress a report of the National Science Board entitled, "Science and Engineering Indicators—2000." This report represents the fourteenth in a series examining

key aspects of the status of American science and engineering in a global environment.

WILLIAM J. CLINTON

The White House,
June 8, 2000.

Letter to the Speaker of the House of Representatives on Estate Tax Legislation

June 8, 2000

Dear Mr. Speaker:

I recognize that some small businesses and family farms struggle with the estate tax and am committed to working with you to relieve this burden. I am supportive of targeted, fiscally responsible legislation to make the estate tax fairer, simpler, and more efficient. I believe the alternative proposed by Representatives Rangel, Cardin, and Stenholm, which would exempt most small businesses and family farms from the estate tax entirely, promotes these objectives in a fiscally responsible manner.

We should not, however, turn our backs on fiscal discipline by passing a regressive, poorly targeted, and expensive repeal of the estate tax. If you send me a bill to completely repeal the estate tax, I will veto it rather than risk the fiscal progress that has contributed to the longest economic expansion in history.

The cost of the estate tax repeal would explode just as the baby boom generation begins to retire, putting at risk our ability to extend the life of Medicare and Social Security, pay down the debt, and meet other important national priorities. The full cost of this legislation is hidden because the repeal is phased in over ten years. Although it would cost about \$100 billion from 2001–10, the drain on the surplus

would increase seven-fold to over \$750 billion over the following ten years.

Repealing the estate tax would undermine the progressivity, fairness, and integrity of the tax system. In 2010, the repeal of the estate and gift taxes would provide a \$50 billion tax break. But this estate tax repeal would benefit only 54,000 estates—about 2 percent of decedents—providing an average tax cut of \$800,000. Small businesses and family farms would receive a tiny fraction of the benefits of this proposal, while the largest estates would enjoy enormous windfalls. In addition, studies indicate that, without the estate tax, charitable donations and bequests would fall by \$5 billion to \$6 billion per year.

I would like to work with the bipartisan Congressional leadership to enact legislation to reduce the burden of the estate tax on small businesses and family farms, provided it is done in an overall framework of fiscal discipline that strengthens Social Security and Medicare, invests in key priorities, and pays down the debt by 2013. I look forward to working with you to accomplish this goal.

Sincerely,

BILL CLINTON