

small businesses which are creating employment in their communities.

Because of this tax, millions of small business owners are in jeopardy of losing the businesses which they have spent their entire lives building.

Under this oppressive IRS Code, someone can work a lifetime—and the moment they die, so could all the jobs of the people who work for them.

Mr. Speaker, Ron Hill of Lancaster, PA is an entrepreneur.

He has spent a lifetime building a healthy business and generating jobs.

The state of his company has a direct effect on 35 families.

Is it justifiable that individuals like Ron Hill must worry that when he dies—his family won't be able to pay the hefty estate tax—and so the jobs of his employees will be in jeopardy.

For too long, the estate tax—in order to raise just 1 percent of total Federal revenues—has been burdening the people of this country with the increased cost of capital and stifled economic growth and higher interest rates.

Even though our budget agreement takes a step in the right direction by raising the ceiling on the taxed amount—we should not end there.

If the tax were repealed this year, the Nation's economy would increase by as much as \$100 billion over the next 9 years.

This extra capital would also allow an average of 145,000 additional new jobs per year to be created.

Personal income would rise above current projections by an average of \$8 billion per year.

Most importantly, small business owners in this country would be encouraged, and not discouraged, as they work hard to pass on an enterprise of value to their children.

We must not stop until this tax is repealed.

Another effort that the Federal Government can undertake to assist small businesses is to keep damaging and unnecessary regulations off their backs.

In November of last year, the Environmental Protection Agency proposed harsh new national Air Quality Standards.

Since then, there has been significant outcry over these regulations.

While the EPA is required to review standards every 5 years, they are not required to change them without sufficient proof of the benefit to public health.

It would be extremely difficult for the EPA to justify an additional \$10 billion plus annual price tag for the American people if these new regulations go into effect.

This costly unfunded mandate will force many small businesses to close their doors—small businesses like dry cleaners, bakeries, and printers.

Mr. Speaker, I recently held a forum for small business leaders of the 16th Congressional District.

Small business representatives such as Carol Hess of Lancaster Labs, Andy Cuiffetelli of Custom Casings, and Howard Winey of Martin Limestone—each can tell a story of hardship caused to their growing businesses because of these regulations.

Not only do these companies deal with multiple permits from the Pennsylvania and the Federal Environmental Departments, but ex-

panded regulations mean businesses spend time trying to bend over backwards to comply with Federal regulations.

This translates into an entire year's worth of capital spending which would otherwise go to improving quality and making businesses more competitive.

In the words of Howard Winey of Martin Limestone, "ours is a progressive area and one of the only areas of Pennsylvania that has sustained growth. If our growth is inhibited, everyone suffers."

We cannot afford to do this to our communities.

Yes, we must all support enhancing the quality of life—but this regulation solves no legitimate public health hazard.

These EPA regulations are bad science and bad for business.

Another important workplace issue to small businesses is allowing small business owners to deduct 100 percent of their health insurance costs when they fill out their tax returns.

Start-up and maintenance costs are far and above some of the toughest costs to overcome.

It is patently unfair that large corporations can deduct 100 percent of their share of employees' health-care costs while the self-employed farmer or home business owner can only deduct 40. Even though last year's bill increased the deductibility to 80 percent by 2006, that is not good enough.

Small business owners need a level playing field to assist their growth.

Additionally Mr. Speaker, 14 million Americans now operate home-based businesses.

Because of corporate downsizing, improvements in technology, and a desire to be close to family—individuals choose to work from home.

Tax equity between those who work from home and those who rent office space—and can deduct the costs of renting—is a reasonable request and should be allowed.

Mr. Speaker, I have listed just a few of the regulatory and tax relief measures which could go a long way in helping small businesses of this country to grow even faster and stronger than they are today.

It is these businesses which carry a large portion of the load for our Nation's economy.

We, here in Congress, have a responsibility to lighten their load—and help them along the road to economic prosperity—for their businesses and for our communities.

I salute the small business owners of America.

We must pledge to work to ease their burden.

I now yield back the balance of my time.

STATEMENT BY SPENCER CRISPE, BRATTLEBORO HIGH SCHOOL, REGARDING EDUCATION FUND- ING AND TAX REFORM

HON. BERNARD SANDERS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1997

Mr. SANDERS. Mr. Speaker, for the benefit of my colleagues I would like to have printed in the RECORD this statement by a high school student from Brattleboro High School in Vermont, who was speaking at my recent town meeting on issues facing young people.

Mr. CRISPE. Hello, Congressman Sanders. On February 6th the state Supreme Court ruled on the Brigham vs State of Vermont case claiming there is a statistically significant relationship between the wealth of a school district and its spending per student. They decided that there is a great disparity in the quality of education that a student in Vermont receives. It depends on where he or she resides; thus they ruled the current property tax for funding education is unconstitutional and it is up to the legislature to overhaul this unjust system.

The House Ways and Means Committee set to work and on March 19th of this year the legislature passed the controversial House Bill, 527 for property tax reform. I am a concerned Vermonter and so I want to see this new bill equalize educational opportunity.

The bill which the Senate is currently reviewing I believe to be better. I also understand that property tax reform is a tedious, confusing, and almost insurmountable task that legislatures have faced, and for me to try to understand how to make the bill better is even more difficult. However, I do believe there are some important additions that could be made.

There is a large, non-residential tax rate for second homeowners and large businesses of \$1.32 per \$100 value of property. Under this progressive tax formula people will pay based on their ability. Places like ski areas and second homeowners in Vermont will pay more while residential property taxes will be cut by two-thirds. I believe the higher income earners should pay more; however, in Vermont the highest income earners are already paying the highest rates in the country.

The high non-residential tax could drive out businesses and hurt Vermont's largest industry, tourism. For a hypothetical example, Mt. Snow Ski Area has lots of money, but if it is taxed a lot more the ticket prices could go up and tourists refusing to pay the exorbitant amount will to Maine or New Hampshire to ski. All in all, it could create a cyclical domino effect that would end up hurting Vermont's economy and stunt its growth.

Furthermore, second homeowners in Vermont will be hit hard under the non-residential tax. I feel they should pay more, but we should keep in mind that many of them are already paying for their own children's education in their respective states. We should not place a burden so high that they move away or our state is less attractive to stay in. It is important that income earners at all levels pay their fair share, but the non-residential range should not be so high as to end up damaging Vermont's economy by making it unreachable to outsiders.

Also in the bill is the net residential tax of two acres of land. Basically any resident will pay the residential rate of 39 cents per \$100 property value on up to two acres of land. After that two acres, they pay the large non-residential rate of \$1.32 per hundred dollar value. This is unfair to Vermonters because two acres is a meager amount of land to only be able to afford. If people have to get rid of their land over two acres because they cannot afford the non-residential rate, we will not be using our land effectively and it is simply unfair.

Another last thing to think about is the local income tax. This would be the third tax Vermonters pay: State, federal, local. We want to equalize education but we are doing it at the local level with the presumption that the towns are going to tax themselves to raise money above the state block grant. This may be a poor presumption because honestly people care about education but gag when they hear anything about more taxes. If this presumption fails and the towns do

not tax themselves as planned, we could end up with the same educational disparities as the present system.

House Bill 537 is generally good, but some of the aforementioned taxes could be eased by a couple of things: I propose to fix some of the problems of the bill by taxing heavily products totally unnecessary to Vermonters. We could put a larger tax on tobacco products, all lottery tickets and games, alcoholic beverages and even candy. I understand that in 537 there is going to be broad-based taxes on things like rooms, meals and gasoline, but a heavy tax on the mentioned products ought to generate a lot of additional revenue to ease the other taxes.

Also for revenue a higher tax should be put on inheritances and trust funds, but not for inherited agricultural land. With the revenue from these taxes we could put forth the money to fixing some of the problems with the bill. We could allow a residential tax for maybe up to six acres of land and reduce the monetary need for the local income tax by pouring some of the revenue into the state pool for block grants.

Other revenue could go to reducing the non-residential tax so businesses and non-residents won't move out or be discouraged from coming here. This can make our state attractive to prospective businesses which if they moved in could stimulate our economy.

Lawmakers need to move slowly and do this reform correctly. We definitely do not want as equally a poor system that will just have to be overhauled again in another couple of years. We should run statistic tests and implement the reform gradually to see how it evolves and works—I know the revenue from alcohol, tobacco and other products fluctuates—to examine the amount of the income the proposed taxes do indeed generate.

Lastly, politics should be left out of this bill. It is important to remember that the bill is for the kids and justice in funding education and remember that a good education makes for the best economic climate.

I think that everyone has made this bill so complicated, I didn't touch on a lot of the nitty-gritty complications of it and I think they get lost in all those complications, so if you just think about it sensibly and make it simple. As I mentioned in my presentation that people who earn more should pay more. The progressive tax format I believe works for property but I think and I do like House 527, I just think there are things that might be made better partly because they made it so complicated.

You can get into a whole other topic because sure, the federal government subsidizes or whatever education and you get into issues like how much—I mean if you look at the pie chart of what they spend each year, they spend five to ten percent on education and then you get into issues of how much they spend on defense and the military as opposed to education.

The present system basically there was a lawsuit that stemmed out of this whole thing and it is actually been a problem for a number of years. Matter of fact, in 1987 Madaline Kunin said years ago that the quality of education that a child in Vermont receives depends on where he or she resides, she just said it straight out, and people all the way back to the 70's and before. The problem—but it is being forced that the legislature has to do something and something has to be done because of the Supreme Court decision stemming from a lawsuit or whatever, the case of Amanda Brigham, and they ruled last February that it was unconstitutional and that they should totally—that it is going to be totally overhauled and the legislature should do it as fast as they can.

Some property-rich towns were spending twice as much, say between eight and \$11,000

for people for education while other property-poor towns under the present and all funding systems were paying half that, 3,000, 4,000, \$5,000 for people.

Thank you for your time, Congressman Sanders.

RECOGNITION OF TEACHERS OF THE YEAR

HON. LARRY COMBEST

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1997

Mr. COMBEST. Mr. Speaker, I am delighted to bring to the attention of my colleagues several distinguished teachers from the 19th Congressional District of Texas. My home district extends from the Panhandle of Texas through the South Plains to the Permian Basin, and encompasses various cultures, personalities, and dreams. I am pleased to recognize these recipients of the Teacher of the Year Award who enable our students to understand and learn from each other, and strive to achieve their goals.

Good teachers nurture our country's best hope for tomorrow, her children. Their perseverance and dedication challenge and shape students to dream, and to work hard to make those dreams come true. Unfortunately, educators toil with little public thanks or appreciation, even though their efforts are essential to a strong future. These teachers, in particular, go beyond the call of duty and wholeheartedly devote themselves to this important mission.

It is my pleasure to present to you the 19th District of Texas' Teachers of the Year: Ms. Dee Ann Liles and Ms. Kathleen McDowell, Sunray ISD; Ms. Candace Dyer, Farwell ISD; Mr. W.W. "Bear" Mills and Ms. Rebecca T. Watson, Midland ISD; Ms. Narelle Horton, Bushland ISD; Ms. Ann Green, Hartley ISD; Ms. Julie Harris and Ms. Laura Landes, Amarillo ISD; Ms. Pam Perrin, Vega ISD; Ms. Connie Gilbert and Ms. Janie Rendon, Hereford ISD; Ms. Clarice Andres, Slaton ISD; Ms. Sonya Wilson and Dr. David LeMaster, Odessa ISD; and Ms. Jan Morris and Ms. Shelli Stegall, Odessa ISD.

As a former teacher, I know firsthand the importance of a quality education; however, it is outstanding teachers like these who strive for excellence, knowing the worth of this goal. I thank these educators for all they do for our children and our Nation.

THE PROMISE OF CONSERVATISM

HON. HELEN CHENOWETH

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1997

Mrs. CHENOWETH. Mr. Speaker, in these trying times when many of our leaders appear to be second guessing our moral and political underpinnings, I commend to my colleagues' reading an address by former U.S. Senator Malcolm Wallop of Wyoming entitled, "The Promise of Conservatism." It is one of the best descriptions of the crossroads at which we find ourselves:

THE PROMISE OF CONSERVATISM, AN ADDRESS BY MALCOLM WALLOP

Before this audience of conservatives, most of whom are Republicans, I would enjoy set-

ting forth a conservative agenda for the Republican Party. I would like to think that you could then put whatever insights I might give you to work for the Republican Party. But I'm afraid that the most useful insight I can give you is that the Republican Party seems well on the way to denying its conservative birthright, and that with every passing day you and I are becoming strangers to it.

The party's leadership seems determined to follow the disastrous example of the Canadian conservative party, which became afraid to challenge the socialists except with empty rhetoric, and which was entirely wiped out at the polls. But that's all right. Parties are born when they take up important tasks, and die when they let them drop. We cannot control the destiny of the Republican Party. We can control the destiny of the American conservative movement—and conservatism is a permanent fixture of American life, because the American people always need some shield against overweening government.

But I want to impress upon you that the character of conservatism is not written in the stars. It is subject to change for the better or the worse. It could just as easily come to resemble more the small and mean minded thing we see nowadays in Europe than the conservatism of Reagan, Goldwater, Coolidge, Lincoln, Clay, the Adamsses, and Washington. My task here today is to help clarify the difference between the kind of conservatism that made this country great and a Republican Party so fearful of the shadow of principle that it is cowering before Bill Clinton. I suggest to you that Bill Clinton and all his works are examples of the difference between government as it has been practiced since the New Deal and the way of life established by the Founding Fathers. The exposure of President Clinton's conversion of power into money is giving the conservative movement a historic opportunity to instruct itself and the country about the consequences of discretionary government power. The conservative movement dare not let it pass because it makes our point: Big government is corrupting America. It deprives us of freedom, makes us poorer, sows strife among us, undermines our families, and debases our souls.

Let's first address the Republican default, then turn to the practical, everyday mission of American conservatism: to cut back the extent and power of government.

From the time of Abraham Lincoln, the Republican Party has been a party of principle. The Democratic Party lives now as it has lived for most of its history as a brokerage house for government favors. Lots of people make a living out of being Democrats. The teachers' unions, the government workers' unions, the abortion industry, and a host of well connected businesses, the kind who get the U.S. government to set up deals for them abroad or to tailor regulations for them—they make a living out of being Democrats. Very few people make a living out of being Republicans. Today, many of our party's leaders envy the Democrats' vast network of patronage, and they have begun using Republican presidential victories in the '80s and congressional victories in the '90s to try to set up shop like the Democrats.

In front of us all during the last campaign and now with the new Congress, Republican leaders are running away from the issues.

Nowhere was this clearer than in California, where the California Civil Rights Initiative, a reaffirmation of equality before the law, withstood a titanic campaign against it. It won by ten points, yet our Republican candidate, down by double digits, waited till the final week to associate himself with the issue, and then weakly. The Republican leadership's unwillingness to ride a horse that