

**H.R. 531—A BILL TO AMEND THE
GENERATION-SKIPPING TRANS-
FER TAX LAW**

HON. AMO HOUGHTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1997

Mr. HOUGHTON. Mr. Speaker, my colleague, Mr. MATSUI and I, introduced H.R. 531 on February 4, 1997. The legislation will add two amendments to the generation-skipping tax [GSTT] law which we believe were unintentionally omitted by Congress at the time the original provisions were enacted. The changes recommended by H.R. 531 were adopted by Congress as section 11074 of the Balanced Budget Act of 1995 which was eventually vetoed by the President. The legislation concentrates on the "predeceased parent exclusion" of the GSTT law, which provides that GST tax is not applied to direct gifts or bequests made by a grandparent to a grandchild where the grandchild's parent—the transferor's child—is deceased at the time of the transfer. When this situation occurs, there is no generation-skipping, since the child—grandchild's parent—is dead; therefore, it is not appropriate to add GST tax on top of ordinary estate or gift taxes, and the predeceased parent exclusion properly excludes such transfers from the GST tax.

Our bill would expand the predeceased parent exclusion to apply to gifts by persons without lineal descendants and to trust gifts.

First, gifts or bequests by a childless individual to collateral descendants would be treated as the same as transfers by persons with lineal descendants. Accordingly, the exclusion would be extended to apply to transfers made by a childless individual to his or her grandniece and grandnephew in the situation where the individuals siblings and nieces and nephews are all deceased at the time of transfer.

Second, the bill applies the predeceased parent exclusion to transfers made through a trust. Under current law, the predeceased parent exclusion is limited, unintentionally, we believe, to direct gifts and bequests, and does not apply to trusts gifts even if the parent of the receiving beneficiary was deceased at all relevant times. In addition to other trusts, this provision particularly affects certain charitable trusts where the charity would have an interest for a period of years before distributing property to the individual beneficiaries. In the situation where the beneficiary's parent is dead, and was dead when the trust was created, there is certainly no generation skipping involved which would justify the levy of an additional tax. It is important to note that these trusts are significant sources of financial support for many charities, and should not be discouraged, unintentionally, where not necessary for the policy of underlying tax provisions. The bill would remove this obstacle.

The terminations, distributions, and transfers to which this bill would apply are those occurring on or after the date of enactment, which would be generation-skipping transfers as defined in section 2611 of the Internal Revenue Code and subject to the GST tax, except for the application of the predeceased parent exclusion as amended by this legislation.

The proposed legislation has substantial support from charities, both large and small, and of all types, such as: social services pro-

viders, museums, libraries, hospitals, and universities, from around the country. We urge our colleagues to join us in support of this legislation.

**TRIBUTE TO 1997 HONOREES OF
BLACK WOMEN OF ACHIEVEMENT**

HON. MAXINE WATERS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1997

Ms. WATERS. Mr. Speaker, we often hear the complaint that people just don't care anymore; that the "I've got mine, you get yours" mentality permeates all segments of our society. People who say that, obviously, haven't crossed the path of Black Women of Achievement. This volunteer, professional women's organization has spent 14 years quietly working to raise funds to support the NAACP Legal Defense and Educational Fund and honor black women for outstanding achievements and significant contributions to their communities. The NAACP Legal Defense and Educational Fund is an organization that uses the law to pry open the doors of opportunity for African-Americans, other people of color, women, and the poor.

BWA has been on a mission, and it has succeeded over and over and over. In just the last 3 years, the organization has raised over \$500,000 for LDF. In addition, some 200 African-American women have been honored at its annual fund raising luncheons.

On June 20, 1997, BWA will honor 16 extraordinary African-Americans. It is my pleasure to enter into the CONGRESSIONAL RECORD, this tribute to Black Women of Achievement and its 1997 honorees. They represent the best of America. I commend them for their tenacity, determination, and spirit. They are blazing a trail that gives future generations hope for a world of equality, fairness, and justice.

The 1997 honorees are: actress/minister Della Reese; actress JoMarie Payton-Noble; renowned entrepreneur-artist Synthia Saint James; Rachel Marie Burgess, division chief, Los Angeles County Sheriff's Department; Adrienne Y. Crowe, regional senior vice president, Bank of America; Shirley Douglas, vice president, business development, Bechtel Infrastructure Corp.; Sheila Frazier, producer, Black Entertainment Television; Angela Gibson, public affairs director, Pacific Telesis; Carolyn L. Green, director of government and public affairs, Ultramar Diamond Shamrock Corp.; Rae Franklin James, executive officer, customer relations and communications, Los Angeles County Metropolitan Transit Authority; Jacqueline E. Massey, administrator, network design, GTE; Iris Stevenson, teacher/director, Crenshaw High School Elite Choir; Debra J. Williams, program manager, Southern California Edison; Rhonda Windham, general manager, LA Sparks; and Della Walton York, district sales manager, AVON.

BWA also pays special recognition to the outstanding achievements of others who support the goals of the organization and their communities. Special recognition has gone to such notables as actor-activist Ossie Davis and veteran news anchor Pat Harvey. The 1997 special recognition award will go to John W. Mack, president of the Los Angeles Urban League.

The 1997 luncheon will be opened with an invocation by Rev. Dr. O.C. Smith, City of Angeles Church of Religious Science.

BWA Committee members are: Beverly Whitaker, 1997 chair, Occidental Petroleum Corp.; Betty A. Johnson, 1997 cochair, Department of Water & Power; Pat Johnson, 1997 cochair, Health Point Services of America; Josephine Alexander, Chi Eta Phi; Berlinda Fontenot-Jamerson, Pacific Enterprises/The Gas Co; Carolyn J. Fowler, AT&T; Angela Gibson, Pacific Telesis; Jackie Hempstead, Bank of America; Karen (Kay) Hixson, Karen Hixson & Associates; Beverly A. King, King & Wright Consulting; Doris LaCour; Office, Supervisor Yvonne Brathwaite Burke; Jackie Massey, GTE; Gloria Pualani, Northrop Grumman; Natalie L. Sanders, M.D., Association of Black Women Physicians; Rose Mary Spriggs, consultant; Sylvia Swilley, M.D., Kaiser Permanente; Pat Watts, Edison International/retired; and Linda Young, public relations consultant.

**REGARDING THE ASIAN
ELEPHANT CONSERVATION ACT**

HON. JIM SAXTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1997

Mr. SAXTON. Mr. Speaker, yesterday, I introduced the Asian Elephant Conservation Act which would set up a special elephant fund for the Interior Department to administer and would authorize \$5 million annually over the next 5 fiscal years to be spent on Asian elephant conservation.

At an educational event held yesterday on the Capitol Grounds, I was able to share with other Members all the majesty and wonder of the Asian elephant. It was evident that these creatures are formidable, and one would think they are invincible. Sadly they are not. Indeed, the Asian elephant is in grave danger of extinction. And that is why the United States, as a world leader in conservation, must step forward and assist in Asian elephant conservation.

Unlike the African elephant whose recent decline has been caused by the dramatic large-scale poaching for ivory, the Asian elephant is faced with more diffuse threats. The increasing pressures of human population growth, along with the necessary changes in land use, has caused habitat destruction that now has elephants and people in direct competition for resources.

Because of incremental habitat loss and degradation, Asian elephant populations are highly fragmented. Drastic fragmentation has increased chances of extinction to each fragmented population. Our hope is that this bill will reverse this trend.

For the record, I am including statements on the Asian elephant by Dr. Raman Sukumar, chairman of the IUCN/SSC Asian Elephant Specialist Group; Mr. Douglas H. Chadwick, a wildlife biologist, and author of "The Fate of the Elephant"; Ms. Ginette Hemley, director of international wildlife policy for the World Wildlife Fund; Dr. Mary Pearl, executive director of the Wildlife Preservation Trust International, Inc.; Dr. Chris Wemmer, associate director for conservation and research at the Smithsonian Institution; and Ms. Shanthini Dawson, wildlife

ecologist and steering committee member on the IUCN Species Survival Commission.

THE ASIAN ELEPHANT—AN APPEAL TO SAVE A FLAGSHIP IN DISTRESS

(By Dr. Raman Sukumar—Chairman, IUCN/SSC Asian Elephant Specialist Group, and Author of "Elephant Days & Nights," 1994)

The Asian elephant has enjoyed an intimate relationship with people for over 4000 years. It has carried our heaviest burdens, and transported us across the widest rivers and over the steepest mountains. Kings have used the elephant as a machine of war and an ambassador of peace. It has been worshipped by Hindus in the form of Ganesha, the elephant-headed god, while the Buddha himself is considered to be the reincarnation of a sacred white elephant. No other relationship between man and beast equals the splendor of the elephant-human relationship.

More important, the elephant is a key-stone species across the tropical forests of South and Southeast Asia, arguably one of the biologically most diverse regions in the world. The elephant is thus the ultimate flagship for conserving the biodiversity of the Asian region.

Yet, ironically the Asian elephant faces a crisis that is largely hidden from the international community. Its population in the wild is under 50,000 individuals, perhaps as few as 35,000, a level which is less than 10% of that of its more publicized African cousin. Its range once stretched widely from the Tigris-Euphrates basin in West Asia through the Indian sub-continent eastward up to the Yangtze River and beyond in China. Today, it has been wiped out entirely from West Asia and has virtually disappeared from China. In 13 Asian countries the elephant is found, with few exceptions, as a series of small populations, isolated from each other through habitat fragmentation or even low density.

Fewer than 10 populations, 6 of them of India, have over 1000 elephants. The rest have much fewer numbers, often less than 100 or 50 individuals each.

The reasons for the decline of this Asian giant are many. Historically, the elephant has been captured in large numbers for taming and use by man. During the past century alone up to 100,000 elephants have been captured in Asia. Most countries have stopped capturing elephants now, but some illegal capturing still continues in Southeast Asia. The most serious threat faced by the elephant is the loss of habitat through clearing of tropical forest for traditional and commercial agriculture, and developmental projects. Whether it be rubber and oil plantations in Malaysia and Indonesia, tea and coffee plantations in India, sugar cane in Sri Lanka or shifting agriculture in Indo-China, the result is practically the same—a loss of space for elephants. Added to this developmental projects—roads, railway lines, dams, mines, and industries—burgeoning across Asia threaten to further fragment the elephants' habitat. Elephant-human conflict is increasing in many regions. Crops are trampled and eaten by elephants, and several hundred people killed each year. The traditional tolerance of farmers towards the elephant is disappearing in a world undergoing a rapid socio-economic transformation.

Equally alarming today is the wave of ivory poaching sweeping across Asia, to feed the demand from the rich East Asian countries. India has been hit hard by the lust for white gold, and so have many other countries. As the number of male elephants with tusks declines, the sex ratios become more unequal, genetic variation is lost, and the health of populations threatened.

Seventeen years ago, I began my tryst with this magnificent animal, a symbol of

what my country stands for and has to offer to the world. During this short time I have witnessed the elephant decline rapidly in Thailand and Indo-China, lose its traditional migratory routes in India, and killed for its ivory. I have also been privileged to watch the elephant lead its natural life, courting, giving birth, feeding, playing, bathing and enjoying life in general. This tryst with the elephant is a passion and an addiction, which one does not have to apologize for. Just as we cannot imagine an India without the Himalaya, the Ganges or the Taj Mahal, I cannot imagine an India without the elephant. I am sure that many from my neighboring Asian countries would feel the same about the elephant.

I make this appeal to friends of the elephant in the United States to join hands with us to save one of the most magnificent of our fellow creatures on earth. Surely, the trumpet of the elephant should continue to echo through the hills and forests of Asia in the decades and centuries to come.

STATEMENT OF DOUGLAS H. CHADWICK, WILDLIFE BIOLOGIST AND AUTHOR OF "THE FATE OF THE ELEPHANT," SUPPORTING THE ASIAN CONSERVATION ACT

Elephants are one of those animals by which we define the grandeur of creation. No larger life forms walk our earth, and precious few are more intelligent—or more emotional. Elephants live 60 to 70 years, learning and storing knowledge the entire time. They maintain close, complex bonds with other family members throughout that human-length span. They are also intimately tied to the cultures of many nations. And now they are in danger of disappearing. The question is whether or not there is still room for giants among us. On my own behalf, and for the sake of people everywhere, including generations yet to come, I urge you to answer Yes by making the Elephant Conservation act part of the species' life support system.

The American public and Congress have worked hard to reverse the decline of African elephants, *Loxodonta africana*. And the effort has succeeded in many respects, helping boost the population to more than half a million. In the meantime, however, Asian elephants, *Elephas maximus*, have declined to one-tenth that number. Where they once inhabited a range that swept from southern China to the Middle East, they find themselves confined to fragments of countryside too small and scattered to guarantee survival. I have seen three-legged elephants whose last homeland was laced with explosive mines, elephants whose trunk had been claimed by snares, and elephants patterned by bullet scars and acid hurled at them by angry farmers.

Others have probably pointed out to you the value of Asian elephants as an umbrella species. That is, by safeguarding forest tracts large enough to sustain these giants, we ensure sufficient habitat for countless smaller fauna from tigers and sloth bears to peacocks and emerald doves. But elephants are more than just part of the extraordinary variety of plants and animals found in Asia's tropical forests. Elephants are one of the main reasons that genetic bounty is there in the first place with the potential to provide humanity with new sources of food, fiber, and pharmaceutical products.

You see, elephants distribute the seeds of perhaps one-third of all tropical trees. In some cases, elephants are the only known agents of dispersal. Plants germinate in elephant dung at twice the rate found in ordinary forest soil. Through their grazing and trampling, elephants create openings dominated by monocots—grasses, and certain

starchy herbs—throughout dense woodlands. Those patches in turn host a special array of animals from insects to Asian rhinos. Used wisely, the same forests essential to elephant survival already provide a perpetual source of raw materials, food, and traditional medicines for local people. Those woodlands also absorb and slowly release a reliable supply of good water. Deforested, the landscape offers rapid runoff followed by drought and withered crops instead.

To save Asian elephants is to save one of the principal shapers of biological diversity. To maintain Asian elephant habitat is to maintain the resources that enrich human communities over the long run. To pass an Asian Elephant Conservation Act would be one of the most foresighted and yet practical, cost-effective things we could do for the benefit of Americans, people throughout Asia, and the world we all share. Thank you for taking the time to listen.

WORLD WILDLIFE FUND,
Washington, DC, May 23, 1997.

On behalf of World Wildlife Fund and its 1.2 million members in the United States, I am writing to enlist your support for one of the world's most endangered large mammals—the Asian elephant.

Few species capture the public's imagination as do elephants. And few species are as intimately tied to the cultures of so many nations. Yet the Asian elephant faces extinction in the wild today. The combined impact of habitat loss, poaching for ivory, meat, and hides, and increasing conflicts with people threaten the species' survival in the next century. With a total wild population of 35,000 to 50,000, the Asian elephant (*Elephas maximus*) numbers less than one-tenth of its African counterpart. Although the Asian elephant did not suffer the ravages of excess poaching that reduced African elephant numbers by half in the 1980s, the erosion of its habitat over the past century has fragmented populations to the point that fewer than ten populations comprising more than 1,000 individuals are left throughout the species' range, greatly diminishing long-term viability.

The Asian elephant urgently needs your help. Securing its survival requires stronger protection measures for remaining herds in the 13 countries where the species lives, establishing corridors and linkages between existing forest reserves to allow for natural migration, stopping illegal killing for ivory, and integrating protection measures with the development needs of local people. Addressing these broad needs requires financial and technical assistance from the international conservation community.

Congress has shown important global leadership in protecting endangered species such as the African elephant, rhinos, and tigers, through landmark legislation that has provided modest yet critically-needed financial support for conservation projects. We now call on Congress to extend that leadership to the Asian elephant by enacting the Asian Elephant Conservation Act. Representatives JIM SEXTON and NEIL ABERCROMBIE plan to introduce this legislation on June 4. We ask you to consider cosponsoring this important legislation as an emergency response to helping one of the world's most endangered species.

Living in the world's most densely populated region presents daunting challenges for the Asian elephant. But because elephant herds range over such large areas, protection is more difficult than for tigers and other imperiled species. At the same time, protection measures for the Asian elephant provide

broad benefits for countless other species that share its habitat. The Asian elephant is not only ecologically significant as a keystone species in Asia's tropical forests, it is truly a flagship for conservation of the region's tremendous biological diversity.

As the world's largest wildlife conservation organization, WWF is committed to helping save the Asian elephant through projects in Thailand, Vietnam, China, India, Sri Lanka, Indonesia, Bhutan, Nepal, and Malaysia. We look forward to working with Congress and the U.S. government to further these conservation activities. Passage of the Asian Elephant Conservation Act is one important and practical step toward securing the future of this magnificent species for generations to come.

Sincerely,

GINETTE HEMLEY,
DIRECTOR,
International Wildlife Policy.

WILDLIFE PRESERVATION TRUST
INTERNATIONAL, INC.

WILDLIFE PRESERVATION TRUST INTERNATIONAL SUPPORTS THE ASIAN ELEPHANT CONSERVATION ACT OF 1997

The worldwide population of Asian elephants is down to around 50,000 animals, isolated in small pockets in India, Myanmar, Sri Lanka, Nepal, Thailand, Laos, Cambodia, Malaysia, Indonesia, and Vietnam. The Chinese population is dying out. Up to one-third of remaining elephants live in captivity.

The endangered status of Asian elephants is poignant, because for thousands of years, they have lived in close association with humans, as an integral part of religions and cultures. In the United States, working and zoo Asian elephants have inspired awe, respect, and affection for generations.

WPTI, in cooperation with the India-based Asian Elephant Conservation Centre and the Asian Elephant Specialist Group of the World Conservation Union, has adopted a program to ensure the survival of this species. We have begun surveys in habitat nations, preparations of national plans for elephant conservation in each country, work towards resolution of human-elephant conflicts in agricultural areas, and management strategies for the captive population of elephants for the species' conservation. We are training veterinarians, elephant care givers, and wildlife officials in wild elephant health care.

We have the professionals in place and ready to work, but financial resources to accomplish the important task of rescuing elephants are stretched very thin. The John D. and Catherine T. MacArthur Foundation has sponsored surveys, and the Liz Claiborne Art Ortenberg Foundation has underwritten the costs of finding some solutions to elephant-human conflicts over agricultural lands. Our many members from all over the United States have pitched in with their contributions. But the small amount from private sources cannot address the overwhelming and urgent need. The Asian Elephant Conservation Act will provide the additional assistance that those of us working to save the elephant need to ensure their survival.—Mary C. Pearl, Ph.D., Executive Director, May 1997.

CONSERVATION AND RESEARCH CENTER,
Front Royal, VA, May 9, 1997.

Hon. JIM SAXTON,
Chairman, Subcommittee on Fisheries, Wildlife and Oceans, U.S. House of Representatives, Washington, DC.

DEAR CONGRESSMAN SAXTON: We understand that you are preparing legislation designed to ensure the conservation of the Asian Elephant.

Beginning in the late 1960's the National Zoo undertook several field studies in Sri Lanka (then Ceylon) which resulted in the first ecological information of its kind. Since the early 1980s, the National Zoo's Conservation & Research Center has pursued several collaborative Initiatives on Asian Elephants with the assistance of the USAID's Program in Science and Technology Cooperation. Some of these projects have aimed at getting a better understanding of the man-domestic elephant relationship, while others attempt to find solutions to the human-elephant conflict. We have trained local wildlife officers how to survey elephant populations, and have examined the population genetics throughout the geographic range. We are currently using satellite telemetry to evaluate the success of translocating crop-raiding elephants to protected areas in Malaysia. In India's southern state of Kerala, we just initiated a study to examine the economics of rural elephants. We have also been seeking funds to complete a study of stress levels in work elephants. In all of these projects we have worked closely with government agencies and non-governmental organizations in different elephant range countries.

No matter where one travels in wild Asia, the tenuous situation of wild elephants is apparent to the critical observer. Relentless human population growth and timber exploitation have fragmented and degraded most forested areas. Ironically, the loss of these vast green spaces will ultimately have dire consequences for people too. The immediate result is competition with people for the same forest and agricultural resources. The reverence with which rural people held elephants in the past to suffice to overcome these conflicts. Human life and livelihood are in danger, and elephant populations are in retreat. Many populations are simply doomed, but large areas can be conserved for the benefit of elephants, wildlife, and people who rely upon ecosystem services such as watersheds, and forest products, etc.

The legislation you are sponsoring is likely to generate public awareness and much needed funds which could be used to solve the recurrent management problems in the conflict areas. Great strides could be made towards the conservation of this magnificent animal on the Asian continent.

We very much hope you are successful in pursuing this legislation and encourage you in your efforts. Please feel free to contact us at any time for any information you may need in putting the bill together.

Respectfully,

CHRIS WEMMER, Ph.D.,
ASSOCIATE DIRECTOR FOR
CONSERVATION.

HANOI, VIETNAM,
May 3, 1997.

Hon. DON YOUNG,
Chairman, Resources Committee, U.S. House of Representatives, Washington, DC.

DEAR SIR: I am writing to you in my capacity as a member of the Steering Committee of IUCN's Species Survival Commission (SSC). The SSC is one of six volunteer Commissions with IUCN—The World Conservation Union. The SSC's mission is "to conserve biological diversity by developing and executing programs to study, save, restore and manage wisely species and their habitats". The SSC is made up of over 100 Specialist Groups comprising more than 7,000 scientists, field researchers, natural resources managers, government officials and conservation leaders from almost every country in the world. This global network represents the single greatest source of scientific knowledge about species conservation

in existence. At a regional and national level, the SSC provides advice to governments and NGOs about species conservation needs and helps in identifying priorities.

My own area of specialisation, deep concern and commitment is the conservation of the Asian elephant and its habitat. Over the last 10 years my work in south and south-east Asia has led me to see first hand the enormous problems being faced by this magnificent animal. The species is on the brink of extinction in a vast proportion of its range. This is primarily due to the increasing loss of tropical forests and competition for the remaining resources between growing human populations and elephants. This competition invariably leads to destruction of crops, homes and human lives by elephants wandering out of their limited forest homes, and enraged people retaliating by killing elephants.

We have heard and seen the dramatic decline in numbers of the African elephant in recent years. It is now on the road to recovery due to the tremendous international support given to its plight and the numerous conservation initiatives. The US Government through an Act of Congress has been very much a part of this support mechanism, which is highly commendable. I would urge that a similar initiative on behalf of the Asian elephant be considered by yourself and your eminent colleagues at the Resources Committee. The challenges ahead for us in the field are overwhelming. In spite of the almost intractable problems, many national and international agencies have taken up the challenge and developed strategies to protect this mighty species and its habitat. The support and commitment of your committee to these and other initiatives would be invaluable to the conservation of the Asian elephant.

Yours faithfully,

SHANTHINI DAWSON,
Wildlife Ecologist.

COMMENDING READER'S DIGEST FOR HELPING PARENTS

HON. STEVE LARGENT

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1997

Mr. LARGENT. Mr. Speaker, today, I rise to commend Reader's Digest for the April 1997 article "How to Raise Drug-Free Kids." Authors Per Ola and Emily D'Aulaire focus on the vital role that parents play in preventing teenage drug use. I am encouraged by Reader's Digest's positive piece to help parents and encourage others in the media to follow suit.

The authors of the article point out that the love and guidance that parents show toward their children have a profound impact on their children's development and potential drug use. As children go through the normal stages of growth from infancy to adolescence, they develop relationships with their peers that are based on the early bonds that they have formed with their parents. To help prevent drug use, parents need to take an active role in their children's lives and establish strong bonds of love, dedication, and honesty.

Again, I commend Reader's Digest and authors Per Ola and Emily D'Aulaire and encourage others in the media to follow their example. I believe we should encourage parents toward positive solutions to help our kids.