

As you know, Mr. President, the agreement itself provides no tax cuts—no family tax credit, capital gains relief, death-tax relief, or education tax credit. It merely establishes the overall size of the tax cut that Congress will begin writing in a few weeks. It permits a net tax cut of \$85 billion over the next 5 years—a minuscule amount considering that the Treasury will collect an estimated \$8.6 trillion over that time period.

Considering that even the modest tax-cut package congressional leaders proposed earlier this year—a \$500-per-child tax credit, a 50-percent cut in the capital-gains tax, estate-tax relief, and expanded Individual Retirement Accounts—will cost an estimated \$188 billion, it is doubtful that Congress will be able to provide even that level of relief. It is more than twice the net tax cut allowed by the agreement. The limited amount of tax relief is another reason that I voted against the budget agreement.

Rather than spread tax relief so thin that it does no one much good, some of us are now suggesting that we focus relief on just a few things that will do the most good for the economy overall—that is, on capital formation. After all, not one business can begin, not one company can expand, not one new job can be created, not one wage can be increased without the capital to start.

With that in mind, the single best thing we could do would be to provide a deep reduction in the tax on capital gains. Ideally, the reduction should match that which was recommended by Democratic President John F. Kennedy as part of his economic growth plan in 1963—a 70-percent exclusion for gains earned by individuals, and an alternative tax rate of 22 percent for corporations. Ironically, President Kennedy's plan, which I introduced this year as the Capital Gains Reform Act, S. 72, proposed even deeper capital-gains cuts than the Republican Congress passed a year-and-a-half ago.

Capital-gains reform will help employers and employees. The American Council for Capital Formation estimates that a Kennedy-like plan would reduce the cost of capital by at least 8 percent, leading to as many as 150,000 new jobs a year.

It will also help the Treasury. Between 1978 and 1985, the top marginal tax rate on capital gains was cut by almost 45 percent—from 35 percent to 20 percent—but total individual capital gains tax receipts nearly tripled—from \$9.1 billion to \$26.5 billion annually. That may come as a surprise to some people, but the fact is that when tax rates are too high, people merely hold on to their assets to avoid the tax altogether. No sale, no tax. But that means less investment, fewer new businesses and new jobs, and—as historical records show—far less revenue to the Treasury than if capital-gains taxes were set at a lower level.

Research by experts at the National Bureau of Economic Research actually

indicates that the maximizing capital-gains tax rate—that is, the rate that would bring in the most revenue to the Treasury—is somewhere between nine and 21 percent. The Capital Gains Reform Act, by virtue of the 70 percent exclusion, would set an effective top rate on capital gains earned by individuals at about 12 percent.

President Clinton recognized the importance of lessening the capital-gains tax burden by proposing to eliminate the tax on most gains earned on the sale of a home. That is a step in the right direction, but if a capital-gains tax cut is good for homeowners, it should be good for others who save and invest as well. I believe we ought to follow the Kennedy model and provide a permanent, broad-based capital-gains tax cut.

Mr. President, estate-tax relief is the second item that should be accommodated within the limited amount of tax relief available under the budget agreement. I have proposed that such death taxes be repealed outright, as recommended by both the Clinton-sponsored White House Conference on Small Business in 1995 and the Kemp tax-reform commission in 1996.

The respected liberal Professor of Law at the University of Southern California, Edward J. McCaffrey, recently observed that polls and practices show that we like sin taxes, such as on alcohol and cigarettes. "The estate tax," he went on to say, "is an anti-sin, or a virtue, tax. It is a tax on work and savings without consumption, on thrift, on long-term savings." The estate or death tax thus discourages the very activity that is necessary to help our economy grow and prosper.

The tax is particularly harmful to small businesses, including those owned by women and minorities. It is imposed on a family business when it is least able to afford the payment—upon the death of the person with the greatest practical and institutional knowledge of that business's operations. It should come as no surprise then that a 1993 study by Prince and Associates—a Stratford, CT consulting firm—found that 9 out of 10 family businesses that failed within 3 years of the principal owner's death attributed their companies' demise to trouble paying death taxes.

In other words, instead of passing a hard-earned and successful business on to the next generation, many families have to sell the company in order to pay the death tax. The upward mobility of such families is stopped in its tracks. The proponents of this tax say they want to hinder concentrations of wealth. What the tax really hinders is new American success stories.

The Heritage Foundation estimates that repeal will, over the next 9 years, spur \$11 billion per year in extra output, lead to the creation of an average of 145,000 additional jobs, and increase personal income \$8 billion a year over current projections.

Mr. President, I know that my two bills—one providing a deep reduction in

the capital gains tax, and the other eliminating death taxes—will probably not pass in their current form. The small amount of tax relief allowed by the budget agreement will not permit it if we are to provide child-tax credits, education credits, and other tax relief as well. But it is capital-gains and estate-tax reform that could help keep the economy on track, producing the revenues needed to bring the budget into balance.

As President Kennedy put it, "An economy hampered with high tax rates will never produce enough revenue to balance the budget, just as it will never produce enough output and enough jobs." Capital-gains and estate-tax relief should be at the top of the list when it comes time for Congress to write a tax bill in the coming weeks.●

MSGR. KENNETH VELO

● Ms. MOSELEY-BRAUN. Mr. President, it is my pleasure to congratulate Msgr. Kenneth Velo, president of the Catholic Church Extension Society and priest of the Archdiocese of Chicago, as the Joint Civic Committee of Italian Americans honors him on June 7, 1997 as the recipient of the Joseph Cardinal Bernardin Humanitarian of the Year Award.

Monsignor Velo, who was born on Chicago's south side, was ordained as a Catholic priest in May 1973, after attending St. Mary of the Lake Seminary in Mundelein, IL. Monsignor Velo served as associate pastor of St. Angela Parish in Chicago from 1973 to 1980 and as associate pastor of Queen of All Saints Basilica from 1980 to 1981. In 1981, he assisted the Archdiocese of Chicago as assistant chancellor, and from 1983 to 1985 served as vice-chancellor of the Archdiocese of Chicago.

Known for his ability to remember not only names and faces, but the circumstances of the people he encountered, Monsignor Velo was asked by the late Joseph Cardinal Bernardin, Archbishop of Chicago, to serve as the Cardinal's executive assistant in 1985. Monsignor Velo would serve the Cardinal in this capacity for 14 years. Monsignor Velo was, at times, the Cardinal's sounding board, driver, eyes and ears. Ultimately, it would be Monsignor Velo who would orchestrate Cardinal Bernardin's death rites and care for the Cardinal's mother after his death. No one will ever forget the powerful and moving eulogy the Monsignor delivered in memory of his friend.

In 1994 Pope John Paul II, moved by his reputation as a public servant, appointed Monsignor Velo to be President of the Catholic Church Extension Society, a national philanthropic organization that has helped isolated and impoverished missions throughout the United States since 1905. As president of the Catholic Church Extension Society, Monsignor Velo has only reaffirmed his reputation as an individual dedicated to helping others.

Monsignor Velo is a true humanitarian. Today, I extend my sincere congratulations to Monsignor Velo for receiving the Joseph Cardinal Bernardin Humanitarian of the Year Award. Through his extraordinary personal effort for the betterment of our community, Monsignor Velo truly has personified the humanitarian nature of Joseph Cardinal Bernardin. I am proud to join the Joint Civic Committee of Italian Americans in recognizing Monsignor Velo's achievements. ●

TRIBUTE TO DR. RUDY ELLIS

● Mr. McCONNELL. Mr. President, today I rise to mourn the death and celebrate the life of a close friend, Dr. Rudy J. Ellis, Sr., who passed away this past Monday, June 2, 1997.

Dr. Rudy Ellis was an inspiration to those who knew him. He was a respected orthopedic surgeon in Louisville, KY, and was the team physician for University of Louisville athletics. Through the years, Rudy touched the lives of many people in the community as well as the thousands of Cardinal athletes that he treated during his 35 years as U of L's team doctor.

I had one thing in common with Rudy, we both started at the University of Louisville at about the same time. He became the U of L team physician in 1961. Since that time, he treated athletes in all sports, except when he stepped down from the Cards' football and baseball teams in 1986. Dr. Rudy Ellis has done more good for more people through the university than virtually anyone else.

As a U.S. Senator, I get to travel across Kentucky and meet many great people who have made a difference in the State. And if I had to make a list of the truly great Kentuckians, Dr. Rudy Ellis would rank in the Top five.

A former member of the U of L's board of trustees and board of overseers, Rudy was one of the pioneers in sports medicine in Kentucky. He opened the Rudy J. Ellis Sports Medicine Center in 1980. And over the years, he has been an integral part of the athletic programs at many Jefferson County high schools, by providing free annual physical examinations for the 4,000 athletes in the school system. In 1993, to show their appreciation for his hard work and compassion for the young athletes, the athletic directors from across Kentucky created an award for people who provide distinguished service to high school sports. Who better to receive the first award than the man they named it after, Dr. Rudy Ellis.

High school gyms and the University of Louisville weren't Rudy's only stomping grounds; he also participated in the athletic programs at Bellarmine College, Lindsey Wilson Junior College, Hanover College, St. Catherine College, Spalding University, Louisville Redbirds, Kentucky Colonels Basketball Team, CBA Catbirds Basketball Team and Louisville Shooters Basket-

ball Team. And in 1994, Rudy was recognized for all his work when he was inducted into the Kentucky Athletic Hall of Fame.

Mr. President please join me in extending my heartfelt sympathy and prayers to the Ellis family, his wife Ruth Anne and his four children, John, Jim, Linda and Amy, and to all those whose lives he touched. He will be missed very, very much.

Mr. President I ask that two articles from the Louisville Courier-Journal be printed in the RECORD.

The articles follow:

[From the Courier-Journal, June 3, 1997]
ELLIS, BELOVED U OF L TEAM DOCTOR, DIES
AT 78

(By Ashley McGeachy)

Dr. Rudy J. Ellis, the caretaker of University of Louisville athletes for more than 35 years, died of an apparent heart attack yesterday morning. He was 78.

Details of Ellis' death were sketchy, but he and his wife, Ruth Anne, were in Vicksburg, Miss., over the weekend for his high school reunion. He died there.

Ellis was said to be in fine health as he embarked on the trip. He had suffered a heart attack five years ago to the day of his death, but he had suffered no serious health problems since.

An orthopedic surgeon, Ellis became the team physician for all U of L sports in 1961 and worked with all athletes through 1986 when he stepped down from the Cards' football and baseball teams. He was a U of L institution who never was paid for his work.

As news of Ellis' death spread throughout the U of L community, there was sadness over the loss of the soft-spoken, gentle man who healed whoever was ailing.

"He loved athletes whether it was a high school kid or a professional," said Cardinals basketball trainer Jerry May, who worked with Ellis since joining U of L as a student trainer in 1971. "He loved to make sure that they were taken care of. He probably never got paid much for any athlete he ever saw, but the prerequisite wasn't whether they could pay. The prerequisite was them being hurt."

May drove the Ellises to the airport Thursday night for their trip to Mississippi and was scheduled to pick them up last night.

"He was like a father to me," May said. "We were very close. We roomed together (on road trips) and have ridden many a mile together."

Said a teary Sherry Samenick, a U of L trainer who worked with Ellis for 17 years: "He's the epitome of loyalty, dedication, love, friendship and selflessness. . . . He didn't turn anybody down."

Ellis helped everyone from the biggest stars at U of L to high school athletes to ailing fans and media members. He helped Darrell Griffith and Scooter McCray when they had knee problems, Dwayne Morton when he broke his hand, Samaki Walker when he fractured his foot and, most recently, DeJuan Wheat when he sprained his ankle during the NCAA Tournament in March.

"I don't care how long you're at it, you never get used to it," Ellis once said of dealing with players' injuries. "You get real close to these kids, kind of feel like they're your own children, and you get a little frightened every time they take a spill."

When Scott Davenport, an assistant basketball coach at U of L, broke his arm at age 6, Ellis fixed it. When Davenport's son, Doug, fractured his leg seven years ago, Ellis' son, John, fixed it.

"One generation set one; one generation set the other," Davenport said, adding, "How

many people do you meet in a lifetime who have never had anything bad said about them?"

Said U of L athletic director Bill Olsen: "Dr. Ellis meant a lot to this program. . . . His caring and compassion for people extended beyond athletes. Everyone had a lot of confidence in Doc. He was your best friend; he was a father figure to many student-athletes and in many ways was a coach."

Jock Sutherland, the longtime radio announcer for U of L, added: "He was a great person. There aren't many people outside of your family that you can say you love. I actually love Rudy Ellis. I love everything he stands for."

The university honored Ellis in 1995 with a scholarship in his name. He was inducted into the Kentucky Athletic Hall of Fame in 1994.

A native of Mississippi, he attended Mississippi State on a football scholarship and was the Bulldogs' starting quarterback from 1938 through '40. He graduated from U of L's medical school in '43 and became the Cards' team physician in 1961 at the behest of Peck Hickman, then the basketball coach.

He opened the Rudy J. Ellis Sports Medicine Center in Louisville in 1980, and he served at times as team physician for the Louisville Redbirds and the old Kentucky Colonels. He worked with Bellarmine College, Lindsey Wilson College, Hanover College, St. Catharine College and Spalding University in addition to the Jefferson County Public Schools.

Pearson's Funeral Home on Breckinridge Lane is handling the services, although the family didn't plan to make arrangements until today.

Ellis is survived by his wife and four children, sons John and Jim, and daughters Linda and Amy.

LOUISVILLE HAS LOST A DOCTOR TO US ALL

(By Rick Bozich)

I didn't want to call Dr. Rudy Ellis' home at 10:45 on a Tuesday night during Super Bowl week. But when you're a newspaper person on deadline, where else were you going to turn for an explanation of how an anterior cruciate ligament works and how you repair it?

You called Rudy Ellis, doctor to us all.

The first thing he did was tell me to stop apologizing for calling at that hour.

The second thing was to explain everything he knew about the anterior cruciate ligament, how he repaired one and how long the recovery is.

And, finally, after he asked how I was enjoying New Orleans, the third thing he did was make me promise to call back later that evening if I had further questions about anything he had just patiently explained in incredible detail for 20 minutes.

"Don't worry about it, paaaart-ner," Ellis always said in that soft comforting drawl that rolled all the way back into his boyhood days in Mississippi. "We'll take care of it."

Ellis did not believe in the doctor-patient relationship. He believed in the friend-friend relationship. He was an orthopedic surgeon who handled sports-related problems, but his real specialty was his warm and compassionate personality.

It did not matter whether you were a University of Louisville Cardinal, a Louisville Redbird, a Kentucky Colonel, a five-morning-a-week jogger or a substitute third baseman in a Sunday night softball league—you lost a tireless friend when Rudy Ellis died yesterday.

Ellis was as concerned about your knee as Darrell Griffith's knee, as worried about your shoulder as Felton Spencer's shoulder, as interested in your day as he was in anything he was doing in the most action-packed retirement I have ever seen.