

that have been funded by this Government. We spend \$170 million on juvenile crime. We already spend \$4 billion on prevention programs through virtually every agency and department of Government.

Look at these things. The Department of Interior: Indian child welfare groups; Department of Housing and Urban Development: The 4-H groups, youth apprenticeships, youth sports programs; Department of Labor: Job training for homeless demonstration projects, summer youth employment training, school to work opportunities, Youth Fair Chance; Department of Transportation: Youth-impaired driving techniques projects; gang resistant education and training in the Department of the Treasury.

So it is just on and on. One of the things Senator THOMPSON talks about a lot is his belief that we have no idea about what works in terms of prevention. He is very frustrated by all of these programs with no real belief in whether or not we know that they work.

So, in consultation with him—and Senator HATCH has agreed—we have added to this bill a substantial sum of money for research to analyze these programs to see which ones work.

We want to prevent crime, and we care about young offenders. But the most crucial thing we are facing today is a situation like that of the young lady who Senator DOMENICI mentioned who was stabbed in the throat by a young violent offender, in which the juvenile justice system did not work. Those offenders are not being properly processed, and when apprehended are not properly punished.

This bill will mandate a series of graduated sanctions. We want to make sure that the first brush of a young offender with the law is his last. I believe we can do that. This bill is a major step forward in that regard.

I appreciate the opportunity, Mr. President, to share these thoughts and ideas with my colleagues.

I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KERRY. Mr. President, what is the regular order?

The PRESIDING OFFICER. The Senator from Massachusetts has an order to speak for up to 15 minutes.

Mr. KERRY. Mr. President, I thank the Chair.

Mr. President, I will not use that full amount of time because other colleagues are waiting.

(The remarks of Mr. KERRY pertaining to the introduction of S. 929 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. KERRY. Mr. President, I yield whatever time remains, and I thank my colleague.

Mr. ALLARD addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. ALLARD. I ask unanimous consent to address the Senate for 7 minutes under morning business, and following that, extend 10 minutes to my colleague from Arizona, Senator KYL, under morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### ESTATE TAX REFORM

Mr. ALLARD. Mr. President, I rise to make a few comments concerning estate tax reform.

There are a number of things I support in the House tax bill. I am pleased to see cuts in the capital gains tax, and I am pleased to see tax relief for families with children. However, I am very concerned with the proposed adjustment of the estate tax. The estate tax has seen a significant change since 1981, and the current \$600,000 exemption has never been adjusted for inflation. If it had been adjusted, it would be worth \$840,000 today. The recommended adjustment in the House bill would not even keep pace with inflation and would not ease the substantial economic burden placed on family businesses and farms.

The proposed Senate version is better but still needs improvement. It raises the exemption to \$1 million to all estates by 2008 and would exempt an additional \$1 million on family farm and business assets.

At the time of a person's death, their farm or business has already been subjected to Federal, State, and local tax. The estate tax is a double tax. The estate tax not only places a burden on assets that have already been taxed but it does not discriminate between cash funds and the nonliquid assets and property that make daily activities possible for a family business or farm. These asset-rich, cash-poor businesses can have their livelihood eliminated in order to pay a tax of up to 55 percent—up to 55 percent—of market value of the property left to them. Ironically, the estate tax raises only 1 percent of the Federal Government's revenue but helps to prevent up to 75 percent of family businesses from being passed to a second generation. This practice threatens the stability of our families and communities while inhibiting growth and economic development.

I strongly support estate tax relief. The current estate and gift tax system poses a great threat to family-owned businesses and farms. I am a cosponsor of legislation to increase unified credit and to index it for inflation. I am also a cosponsor of legislation to eliminate the estate tax entirely.

Repeal of the estate tax would benefit the economy. George Mason University Professor Richard Wagner has stated that the elimination of the estate tax would enhance the output of the country by \$79.2 billion—I repeat, by \$79.2 billion—and would create up to 228,000 jobs. Unfortunately, under the current system, the energy that could go into greater productivity is ex-

pendent by selling off businesses, dividing resources and preparing for the absorption of an estate by the Government.

The current system leads to the views of an Arizona citrus farmer who said of his family business, "Instead of an inheritance, it's an albatross."

We must insist that no more American families lose their businesses because of the estate tax. We must assure that when a family is coping with all the inevitable transition costs of passing a business from one generation to the next, the Federal Government is not there as an added burden. The working people of the United States deserve better.

Until we accomplish total repeal, I will be working to reduce the burden of this tax. I believe the exemption should be dramatically increased and that the current 17 rates should be reduced to one low, flat rate. The estate tax should then be effectively abolished for family businesses and farms for as long as the assets remain in the family. No family business or farm should ever have to be liquidated just to pay the estate tax.

I look forward to working with the Senate Finance Committee to reform this outdated and punitive tax system.

Mr. President, I yield back the remainder of my time.

Mr. KYL addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. I thank the Chair.

#### INTELLIGENCE AUTHORIZATION

Mr. KYL. Mr. President, I wish to follow up on some comments that my colleague from Colorado made. First, however, I should like to address a subject briefly which has relevance to one of the bills we will be taking up, if not today, then later this week, and that is the intelligence authorization bill.

This is a bill which should not have a great deal of controversy surrounding it. It provides for the funding of the intelligence agencies of the United States and the substantive policy that governs our intelligence activities, but it is especially relevant and propitious, I think, that we take up that bill this week following the news accounts of the arrest and incarceration of a man whose name is Kanzi, ostensibly from Pakistan, who is the alleged perpetrator of a violent crime against employees of the CIA a few years ago here in the Washington, DC, area.

The reason I bring this up now is to make two points. One, we frequently hear the stories when things go wrong in law enforcement and in particular in operations involving our intelligence agencies. We try to learn from those lessons, but there have been bitter experiences with which we have had to deal. What we do not hear so much about are the many, many successes that go unreported, frequently because they involve law enforcement or intelligence activities that simply cannot

be disclosed publicly. They involve classified material, sources, and methods of collection of information which we simply cannot discuss or we would be compromising those sources and methods.

So these stories are not told, and it is too bad because I think the American people, in order to support our law enforcement and intelligence agencies, need to appreciate the work that they do and the danger that they frequently face and the many times in which by their actions American lives are saved and yet we do not even know about it.

In this case, the details will have to come out later. We have been briefed, and certainly there is a very fine story to be told here. But the details will have to come out later. What we can say at this point is that this will be found to be yet another example of where American law enforcement officials played a key role in bringing to justice a terrorist, a person who at least allegedly has committed a heinous crime and hopefully, as a result of that information coming out, we will be supportive of agencies such as the FBI, such as the CIA, the DIA, and the other agencies, some of which we will be discussing in the intelligence authorization bill a little bit later.

The second point is that we will find, track down, take into our jurisdiction, and prosecute terrorists. They can run, but they cannot hide. And they should note that we do not rest until we bring these people to justice. If you look at the number of terrorist incidents over the last several years, in many, many cases we have found and we have gained jurisdiction over and in some cases already prosecuted the people who have perpetrated heinous crimes against society in general and frequently against Americans. We will continue to be successful in doing that and in protecting American people if we are able to adequately fund and provide proper policies to guide our law enforcement agencies.

So when we take that bill up later, I hope that my colleagues will be supportive and the American people will appreciate the continued necessity of providing that kind of support. In the end it is what will preserve our democracy as well as peace around the world.

#### TAX RELIEF FOR AMERICAN WORKING FAMILIES

Mr. KYL. Mr. President, I wish to briefly address the same subject my colleague from Colorado addressed, and that is the proposition that Americans are finally going to get some tax relief. The biggest tax relief, as a matter of fact, in 16 years is about to be brought to the Senate floor for debate. It is uncertain yet precisely what some of the details are, but the Ways and Means Committee of the House of Representatives has put a plan on the table, the Finance Committee in the Senate has put a plan on the table, and the members of that committee are working through the details of that bill.

We do know the general outline so far, and I think we can talk about that and begin to lay the groundwork for debate in this Chamber on that historic tax cut for American working families. I think that is the first lesson to be learned here. I really deeply regret that some people at the White House are already beginning to take political pot shots at this very worthwhile, bipartisan tax relief to be provided to American families. It is the same old political rhetoric that it is a tax cut for the rich. That just does not fit this proposed tax cut. Most of the tax cuts are for average working families, and all of the tax cuts are good for the economy of this country. As a matter of fact, under the proposal that the Senate Finance Committee began considering yesterday, three-fourths of all of the tax relief goes to families making less than \$75,000 a year and that is not an atypical, two-parent working family in America today. So with three-fourths of the benefits going to that income level, it is hardly to be characterized as a tax cut for the rich.

As a matter of fact, 83 percent of this proposed tax relief is in the form of relief to families with children, the \$500 per child tax credit and the educational tax credit and other relief for families struggling to send their kids to school; 83 percent of the relief is of those two components.

So let us not begin this important debate with some political demagoguery about tax cuts for the rich, especially, Mr. President, since the relief here, though historic, is quite modest in total amount—less than 1 percent of the budget—because the negotiators, under pressure from the White House to keep the tax cut small, agreed to a net of only \$85 billion in tax cuts over a 5-year period.

Now, the Republican plan that was introduced at the beginning of this year provided for \$188 billion in relief and, frankly, that was not enough for many of us who felt it should have gone further, but at least it was enough to provide meaningful relief in terms of the \$500 per child tax credit, meaningful IRA relief, some capital gains relief, estate tax relief, and education relief. These are critical to the American economy and to American families.

The \$85 billion that is available to accommodate these five areas is not going to provide adequate relief in any of them but at least it will provide a start. I am a little disappointed in those who are already attacking it as if it is too much for us to afford. It was negotiated and agreed to by the White House. Therefore, I hope that we will get some support because here in this body there is already bipartisan support for it. It involves, as I said, a phased-in \$500-per-child tax credit for families with kids. It involves two different kinds of IRA tax relief. There is the \$2,000 homemaker IRA relief for families which do not have a pension for the homemaker. My wife always wondered why she could not fund an

IRA the same way that I could fund an IRA. She worked just as hard as I did, even though she did not have a wage-paying job. And we also have a backloaded IRA relief provided in this package, so even in families where there is a pension, that doesn't preclude them from the spouse having an IRA and being able to save for future years.

We also provide capital gains tax relief, not as much as we would like, but it ought to be enough to at least stimulate key parts of our economy so we can continue to grow and provide jobs for all Americans families. And, as I mentioned before, the educational component of this as well rounds out the relief.

The one area where we did not get very much relief is in the death tax that my colleague from Colorado talked about. I think the answer there is simply this is not enough. Phasing in an exemption up to \$1 million over an 11-year period is totally inadequate. But I think what this will do is simply sharpen our interest in continuing to engage in that debate and ensure that there will be greater relief from the death tax in future years. Obviously, it simply cannot all be accommodated within the \$85 billion that was agreed to.

So I think as we begin this debate we should do so on a positive note, on a constructive note, determining how we can work together to provide meaningful tax relief to American families. If we do that, we will succeed in helping the very people who need help in our society by ensuring continued economic growth and by making good on our promise to the American people for historic tax relief, the first in 16 years. I yield the floor.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The distinguished Senator from West Virginia.

#### SENATOR ROCKEFELLER'S BIRTHDAY

Mr. BYRD. Mr. President, in 1964, a tall, bright-eyed, 27-year-old Harvard graduate arrived in West Virginia as a VISTA volunteer, eager to take on the ills of poverty, eager to change the world, starting with the small, rural town of Emmons, WV.

But things did not quite turn out for the young man exactly the way that he expected them to. As JOHN D. "JAY" ROCKEFELLER, IV, quickly discovered, just as untold others have, there is something about West Virginia that gets into the blood and stirs the utmost depths of the soul. One West Virginia newspaper in February of last year quoted him speaking about those early days in Emmons. In that speech JAY ROCKEFELLER reflected "In the end, I was the one who was transformed by the experience—completely transformed." Subsequently, ROCKEFELLER decided to move to West Virginia to live, rear a family, and build an impressive career of public service that