

park. We need to have national parks close to where people live. We have one in the Santa Monica Mountains.

While I am focusing on local issues, I should also point out the most important transportation need of the southern California area, and that is dealing with the intersection of the San Diego Freeway and the Ventura Freeway, the 405 and the 101. I want to applaud our State government for beginning a \$10 to \$15 million plan to provide some immediate quick fixes and one additional lane in order to deal with the huge snarl of traffic at that interchange. But these quick fixes and moderate amounts of expenditures will not be enough to solve the problem. I want to thank Secretary Rodney Slater for providing for a half-million-dollar study of what can be done to deal with this intersection and the transition roads that have to accommodate almost half a million cars every day.

Madam Speaker, I would like to use the last 10 minutes of my presentation, and I thank the House for giving me this much time, to focus on one particular type of tax cut that I hope will have bipartisan support, and that is the need to reform our estate tax laws to dramatically reduce the amount of estate planning, the length of documents and the literal legal torture that we put our elderly and our near-elderly through as a result of an estate planning process that yields virtually no revenue from the middle-class and upper middle-class individuals who need to go through the process.

Let me describe that process briefly. We have an estate tax that reaps, I believe, \$17 billion in revenue for this country. It is designed to get revenue from the wealthy as great wealth passes from one generation to another. We designed the law so that a married couple could leave \$1.2 million to their children with no tax at all. That is the tax policy that we have established, \$1.2 million tax-free.

But we adopted that tax policy in a bizarre way. And when I say, by the way, \$1.2 million, that number is going to be ratcheted up over the next decade to a total of \$2 million, depending upon, of course, when people die and that estate tax becomes applicable. In my presentation here I will use the old figures, the \$600,000 figures and the \$1.2 million figures.

That is to say, how is it that current law provides for that \$1.2 million exemption? It provides a \$600,000 exclusion to each of the two spouses. So what do they have to do to take advantage of this \$1.2 million exemption? They have to write a long, complicated estate planning document and bypass trust so that when the first spouse dies, that first spouse does not just leave all the family assets to the surviving spouse. Oh, no. That would trigger an estate tax of major proportion when the second spouse dies. Instead, the first spouse to die must leave \$600,000 in a trust for the benefit of the surviving spouse. The effect is virtually the

same, but the legal complexities are enormous.

First, just drawing the instrument is a \$1,000 to \$3,000 legal fee tax imposed on any couple that believes that when the second of them to dies it is possible that their assets will exceed \$600,000. And given the possibility that homes in southern California would go up in value with the same rapidity next decade as they did last decade, every middle-class married couple sees that as at least a possibility.

Keep in mind, those who fail to go through this excruciating estate planning process, and I will describe why I think it is excruciating because I have lived it, are told, well, if the second spouse dies, there will be a quarter of a million dollars of extra Federal tax that you could have avoided, a quarter-million-dollar penalty on the family for failing to go through this complicated estate planning process.

But the estate planning process is not over. It seems to be over but it is not over when the trust is documented and the couple leaves the lawyer's office with a 50-page document. Because there will come a time when the first spouse dies, and at that point complicated legal steps need to be taken so that assets are put into the trust and other assets are assigned to the widow or widower, and then every year thereafter that trust has got to fill out a separate income tax return. Assets have to be kept separate.

Imagine trying to explain for the 20th time to a 95-year-old widow or widower how some assets they have control over and are in trust, which they are only allowed to touch under certain circumstances but get the income under other circumstances, and other assets are in a different trust. Why do we afflict America's elderly, especially our widows and widowers, with the need to be in these bypass trusts?

Now, I am not talking here, by the way, of the living trusts that are established to avoid probate in many of our States. Those are genuinely simple. But built within so many of them are these bypass trusts, created not to avoid probate but created to deal with very complicated tax laws.

What we should do instead is provide that when the first spouse dies, they can leave all the assets, or some portion of them, to the surviving spouse, and any unused portion of the unified credit, the in effect \$600,000 exemption, goes to the surviving spouse. In the simplest plan this would mean when the first spouse died, all of the assets could go to the widow or widower. When the widow or widower passes on later, \$1.2 million would be exempt from tax and the rest would be subject to tax.

This is the same tax effect that most couples will be faced with. I just think they should be able to reach it without living with these trusts throughout the widowhood or widowerhood of the surviving spouse.

Now, the Joint Tax Committee has informed me that they believe that this kind of change would deprive the Federal Government of a billion dollars a year in revenue. For those who want to see a significant estate tax reduction, that is a strong reason to join me in this proposed estate tax change.

But I would argue that that billion-dollar reduction in revenue is almost entirely illusory, because the bill as I would propose it would provide tax benefits no greater than any married couple could get simply by visiting a lawyer and paying a \$1,500 legal fee. The vast majority of couples with assets of over \$600,000 will do just that, and as a result they will obtain through complication the tax savings that I would like to provide through simplicity.

I look forward to working with the staff of the Joint Tax Committee to get a more reasonable revenue estimate of this estate tax simplification, and I look forward to working with as many of my colleagues who are interested in crafting legislation to try to simplify the life of every middle-class and upper middle-class widow and widower in this country.

I want to thank the Chair for extending so much time. I want to thank my colleagues for their patience in allowing me to get so many matters off my chest.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON TOMORROW

Mr. WELLER. Madam Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with tomorrow.

The SPEAKER pro tempore (Mrs. BIGGERT). Is there objection to the request of the gentleman from Illinois?

There was no objection.

TIME FOR A TAX CUT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. WELLER) is recognized for 5 minutes.

Mr. WELLER. Madam Speaker, I have the privilege of representing one of the most diverse districts in America. I represent the south side of Chicago and the south suburbs in Cook and Will Counties, industrial communities like Joliet, bedroom communities like Morris and New Lenox, farm towns like Tonica and Mazon.

I hear one common message as I travel throughout this very diverse district and listen to the concerns of the people I have the privilege of representing. That message is fairly simple. That is, the American people want us to work together, they want us to come up with solutions to the challenges that we face.

When I was elected in 1994, I was elected with that message of finding solutions and finding ways to change how Washington works, to make Washington more responsive to the folks back home.

□ 1745

We were elected, of course, to bring those solutions to the challenges of balancing the budget, and raising take-home pay by lowering taxes, and reforming welfare and taming the IRS. But there were a lot of folks here in Washington who said, you know, those are challenges that you will never solve, that you will never be able to do that, and they said it just could not be done. And I am proud to say tonight that we did. We did do what we were told we could not do. I am proud that our accomplishments include the first balanced budget in 28 years, the first middle class tax cut in 16 years, the first real welfare reform in a generation and the first ever reform of the IRS. Our efforts produced a balanced budget that has now generated a projected surplus of extra tax revenue of \$2.3 trillion over the next 10 years. We now have a \$500 per child tax credit that is going to benefit 3 million children in my State of Illinois. Welfare reform that has succeeded in reducing welfare rolls by 25 percent, and taxpayers now enjoy the same rights with the IRS that they have in a courtroom. For the first time taxpayers are innocent until proven guilty.

Madam Speaker, these are real accomplishments of this Congress, and I am proud to have been part of those accomplishments, but we also have greater challenges ahead of us.

Because this Congress held the President's feet to the fire, we balanced the budget, and now we are collecting more in taxes than we are spending, something new here in Washington, and the question before this House and this Congress in Washington is: What do we do with that extra tax revenue, \$2.3 trillion, an extra tax revenue? We are collecting more than we are spending.

I think it is pretty clear. There was an agreement, a bipartisan agreement, that the first priority for this extra tax revenue is to save Social Security, to make sure that we keep Social Security on sound footing for our seniors and future generations, and I do want to note that last fall the Republican House passed and sent to the Senate legislation that would earmark 90 percent of the surplus of extra tax revenue for saving Social Security. Now this year President Clinton says he only needs 62 percent; we can save Social Security with 62 percent. Well, we agreed that at a minimum we should set-aside 62 percent of surplus tax revenues for saving Social Security.

Of course the question is: What do we do with the rest? Bill Clinton says that we should save Social Security and then spend the rest, the remaining 38 percent of surplus tax revenues, on new government programs, on big government. I disagree and say that we should save Social Security and we should raise take-home pay by lowering taxes.

The question is pretty simple before this House: Whose money is it to start with?

You know, if you think about it, if you go to a restaurant, and you buy a meal, and you find that you overpay, the restaurant will usually say, wait a second, you have given us too much, you should take this back. You have paid too much, and that extra money they should get back to you. Well, it is clear today that this government is collecting too much, and it is time to give that too much back in a tax cut.

There is a pretty simple question again. It is do we want to save Social Security and spend the rest of the surplus tax revenue, or do we save Social Security and give it back for working families, give it back by eliminating the marriage tax penalty and rewarding retirement savings?

You know the Tax Foundation tells us that today's tax burden is too high. The average family in Illinois sends 40 percent of its annual income, its earnings, its salary, to government at local, State and Federal levels. Forty percent of your income goes to government at one level or another. And I also want to note that the IRS tells us that since Bill Clinton was elected President in 1992, taxes collected by the Federal Government from individuals and from families have gone up 63 percent. The tax burden on America's families is the highest ever.

My colleagues, we can save Social Security, we can eliminate the marriage tax penalty. Let us save Social Security, and let us lower taxes for working Americans.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 99, TEMPORARY EXTENSION OF FEDERAL AVIATION ADMINISTRATION PROGRAMS

Mr. DREIER (during the special order of Mr. PAUL), from the Committee on Rules, submitted a privileged report (Rept. No. 106-4) on the resolution (H. Res. 31) providing for consideration of the bill (H.R. 99) to amend title 49, United States Code, to extend Federal Aviation Administration programs through September 30, 1999, and for other purposes, which was referred to the House Calendar and ordered to be printed.

CONGRESS RELINQUISHING THE POWER TO WAGE WAR

The SPEAKER pro tempore (Mrs. BIGGERT). Under the Speaker's announced policy of January 6, 1999, the gentleman from Texas (Mr. PAUL) is recognized for 60 minutes as the designee of the majority leader.

Mr. PAUL. Madam Speaker, I have great concern for the future of the American Republic. Many Americans argue that we are now enjoying the best of times. Others concern themselves with problems less visible but smouldering beneath the surface. Those who are content point out that the economy is booming, we are not at war, crime rates are down, and the ma-

jority of Americans feel safe and secure in their homes and community. Others point out that economic booms, when brought about artificially with credit creation, are destined to end with a bang. The absence of overt war does not negate the fact that tens of thousands of American troops are scattered around the world in the middle of ancient fights not likely to be settled by our meddling and may escalate at any time.

Madam Speaker, the relinquishing of the power to wage war by Congress to the President, although ignored or endorsed by many, raises serious questions regarding the status of our Republic, and although many Americans are content with their routine activities, much evidence demonstrating that our personal privacy is routinely being threatened. Crime still remains a concern for many with questions raised as to whether or not violent crimes are accurately reported, and ironically there are many Americans who now fear that dreaded Federal bureaucrat and possible illegal seizure of their property by the government more than they do the thugs in the street. I remain concerned about the economy, our militarism and internationalism, and the systemic invasion of our privacy in every aspect of our lives by nameless bureaucrats. I am convinced that if these problems are not dealt with. The republic for which we have all sworn an oath to protect will not survive.

Madam Speaker, all Members should be concerned about the war powers now illegitimately assumed by the President, the financial bubble that will play havoc with the standard of living of most Americans when it bursts and the systemic undermining of our privacy even in this age of relative content.

The Founders of this great Nation abhorred tyranny and loved liberty. The power of the king to wage war, tax and abuse the personal rights of the American colonists drove them to rebel, win a revolution and codify their convictions in a new Constitution. It was serious business, and every issue was thoroughly debated and explained most prominently in the Federalist Papers. Debate about trade among the States and with other countries, sound money and the constraints on presidential power occupied a major portion of their time.

Initially the Articles of Confederation spoke clearly of just who would be responsible for waging war. It gave the constitutional Congress, quote, sole and exclusive right and power of determining on peace and war. In the debate at the Constitutional Convention it was clear that this position was maintained as the power of the British king was not to be, quote, a proper guide in defining executive war powers, close quote, for the newly formed republic. The result was a Constitution that gave Congress the power to declare war, issue letters of mark and reprisal, call up the militia, raise and