

**Transcript of Opening Remarks by Senator Kent Conrad (D-ND) at Press
Conference Responding to House Vote to Permanently Repeal Estate Tax
June 6, 2002**

The House, as you know, is considering repealing the estate tax. And I'm here to make the suggestion that we ought to reform the estate tax, rather than repeal it.

I think the first and most important issue is the question of fairness. This chart attempts to make the point by showing it would take 30,000 people's Social Security taxes to pay for the estate tax savings of one wealthy American. And we've tried to select one wealthy American at random. We just happen to come up with Mr. Skilling, the former chief of Enron, who it has been determined would have a savings of over \$55 million in estate taxes if the estate tax repeal goes forward. That strikes us as completely unfair and upside down. What earthly sense does it make to have 30,000 Americans who earn \$30,000, to have all of their Social Security taxes go to eliminating the estate tax obligation of one wealthy American.

The second point we would make is that the cost is going to come back to all the rest of us. The cost this decade is substantial, nearly \$100 billion. But the cost in the second decade is over \$740 billion. Now that's real money – \$740 billion at the exact time the baby boom generation starts to retire and is putting increased demands on the Medicare and Social Security systems. I don't think that can sustain much scrutiny.

One thing we've learned in polling of the American people on this question is – they've sent us a very strong message – reform yes, repeal no. They have said to us overwhelmingly, the exemptions ought to be increased, and increased substantially, but it ought not be repealed. In their minds, it's an issue of fairness. It's also a question of having an overall budget that adds up. And people of this country understand that. They understand it's about choices.

You'll recall last year we were told we were going to have surpluses of nearly \$6 trillion over the next decade. Now, with the President's budget, and the additional revenue shortfall in this year's filing, what we see is, instead of \$6 trillion of surpluses, we're facing \$600 billion of unified budget deficits. That's what we are facing over the next decade. No surpluses. The money is all gone.

And yet our Republican friends come back with the same tired old idea that to every question that is asked, their answer is more tax cuts. It doesn't matter that the fiscal condition of the country has changed dramatically. It doesn't matter that there's no money left. They continue to push the same old agenda. It doesn't matter what's happened with the facts.

Let me just conclude by saying very few people are subject to the estate tax. They call it the death tax. There's no death tax in America. There's an estate tax, and only two percent of estates now qualify. By the time we reach 2010, only one-half of one percent of estates will qualify. That's about 10,000 estates that will have some obligation, out of some two-and-a-half million people who will die in that year – 10,000. That's a mighty small percentage.

And, so I go back to where I started – the question of fundamental fairness. Is it fair to take the Social Security taxes of 30,000 Americans earning \$30,000 a year to provide one wealthy individual with estate tax relief. I submit to you, that's not fair.