

consequently, as he earned graduate degrees from Washington University, St. Louis, MO, and Saint Louis University and achieved administrative certification, he was called upon to apply his expertise in a variety of responsible positions. Some of those positions include elementary principal, high school principal, district superintendent, assistant superintendent, area superintendent, and associate superintendent.

A continuing commitment to the education of students of all ages is reflected in Dr. Dix's activities as head guidance counselor and administrative assistant at Oberlin College for the Special Opportunities Program for Junior High School Disadvantaged Youngsters. He has served on the board of directors of the Parent-Child Center of the Human Development Corporation of St. Louis, Model Cities Day Care, Northside Home for Delinquent Boys, Edgewood Home for Youth with Special Problems, and president of the board of directors of Annie Malone Children's Home. He currently serves on the board of directors of the William L. Clay Scholarship and Research Fund.

Dr. Dix, a dedicated proponent of lifelong learning, has been active in post-secondary education as a visiting lecturer at Harris Stowe State College, University of Missouri-St. Louis, University of Wisconsin, Saint Louis University, University of Illinois, and Southern Illinois University. He also served on the board of curators of Lincoln University from 1973-81. His involvement with community projects and organizations includes coordinator for Banneker Community Project, Ford Foundation, Danforth Foundation Metropolitan Leadership Program, Family and Children's Service, Clayton Committee, Yeatman Community Corporation's Education Committee, and chairman of St. Louis County Human Rights Commission.

For many years Dr. Dix has been an outspoken advocate for early childhood education and was director of Project Headstart for St. Louis/St. Louis County from 1966-68. In addition, he has served as a parental involvement panelist at national Headstart conferences and as a member of the National Advisory Committee for Project Headstart. He was also a member of the President's Committee on Headstart, 1968, and served as a Federal mediator for Headstart programs in Sunflower County, MO.

The contributions of Dr. Dix have been recognized by many organizations and groups through numerous awards such as: Lincoln Alumni Citation of Merit, Outstanding Alumni; National Association of University Women Award for Educational Administration and Christian Stewardship; Boy Scouts of America—Field Leaders Award; St. Louis Argus Distinguished Public Service Award; Outstanding Educator Award, Lemoyne-Owen College; Headstart Distinguished Service Award. He was inducted into Vashon High School's Hall of Fame in 1987.

Throughout the years that Dr. Dix worked diligently to improve education for students of all ages, he also utilized his interest in literature, music, and art to enlighten the minds and lighten the spirits of people he encountered. He frequently shared with others his love for poetry and his gift with words earned for him admiration and acclaim. He is well prepared to enjoy his well-earned freedom with interesting new challenges of his own choice. We wish for him continued success in retirement, personal fulfillment with his wife, Bette, and their family, and the contentment that is so well deserved by this educator of all ages.

BALANCE THE BUDGET NOW

HON. WILLIAM J. MARTINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 7, 1995

Mr. MARTINI. Mr. Speaker, the flags in our Capitol fly at half mast today for a reason.

Fifty-four years ago, Pearl Harbor was bombed and our Nation was on the brink of one of the greatest challenges we have ever faced.

Our national leaders rallied to the cause and did what was right.

And our people prepared themselves to make the ultimate sacrifice in defense of our great Nation.

Together our Nation rose up to defend itself against the Axis Powers, and turned what was a time of great peril into one of our finest hours.

Today we also face a challenge, not by any means as direct or as obvious, but over time it will become no less dangerous.

That challenge, Mr. Speaker, is to balance the budget, and bring fiscal responsibility to a nation that is threatened, not by an outside invader, but by its own lack of discipline.

If we do not reverse our disturbing trend of deficit spending and alleviate the burdens on the taxpayers of future generations, we will be diminishing the national legacy our parents left us.

Now as we face one of our generation's great challenges, we owe it to both our parents and our children to meet it head on.

This Congress has delivered to the American people that will in fact balance the budget in a fair and reasonable manner.

But sadly, the President has vetoed it.

He is turning away when he should be facing up.

I urge him and my colleagues not to fail in our moment of truth, but to rise up and face the most important issue of our day: balance the budget now, and preserve for our Nation a prosperous and productive future.

TRIBUTE TO NEW YORK'S NATIONAL GUARD AND RESERVISTS IN WORLD WAR II

HON. JAMES T. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 7, 1995

Mr. WALSH. Mr. Speaker, on this historic day, I offer a tribute to the National Guard and the military reservists of our country, especially for the service of those from my State and Congressional District.

Shortly after the December 7, 1941 attack on Pearl Harbor, 55 years ago today, the 27th Infantry Division, comprised of National Guardsmen from New York's small towns and cities, became the first and only square infantry division to enter the war in the Pacific.

It established defense installations in Hawaii against an anticipated Japanese invasion. These were the first soldiers in the Central Pacific to take offensive action against Japan, the first to invade the Gilberts and the Marianas, and the first to engage in operations carrying the war closer and closer to the enemy's homeland. When World War II ended,

the 98th Infantry Division—the Iroquois Division, organized as a New York reserve square division at the close of World War I—occupied Japan and aided war reconstruction efforts. Contributions of these peace-time civilians are described in the book "Soldiers Remember" by J. Arthur Rath of Syracuse, NY:

Within ten days after the attack on Pearl Harbor, December 7, 1941, two fast convoys left San Francisco loaded with troops. In the next three-and-a-half years, Jones, Kelly, Goldstein, Skorski, Olsen—men with all the fine-sounding American names—came in an olive drab flood to build from Hawaii the road to Tokyo.

They proved a great many things that are part of our heritage and that our enemies believed America had lost. They showed that Americans are still as determined as the day when Thomas Paine sat with ragged revolutionary troops in the chill night of a late fire and wrote that 'Tyranny, like hell, is not easily conquered.' Then Paine watched and wrote while American civilians turned into soldiers conquered it.

The National Guardsmen of the 27th New York Division were linked to units participating in every one of our country's major conflicts, beginning with the Revolutionary War. Among its regiments was the 165th, the old "Fighting 69th" of "Fighting Irish" of World War I fame. The American soldiers were the first to break the Hindenberg line, the turning point in that war.

Members of the National Guard and military reserve who stand ready to serve their country during peace, as well as during war, helped make the rallying call rising 55 years ago today. "Remember Pearl Harbor"—an expression of determination and triumph.

THE ROSTER OF 27TH DIVISION UNITS (NEW YORK NATIONAL GUARD) AND LOCALITIES FROM WHICH THEY WERE DRAWN ON FEDERAL INDUCTION, 25 SEPTEMBER 1940 IS AS FOLLOWS:

Division Headquarters, New York; Division Headquarters Detachment, New York; Headquarters Special Troops, New York; Medical Detachment, New York; Headquarters Company, New York; 27th Military Police Company, New York; 27th Signal Company, Yonkers; and 102d Ordnance Company, New York.

53d Brigade Headquarters, Albany; and 53d Brigade Headquarters Co., Albany.

105th Infantry Headquarters, Troy; Headquarters Company, Troy; Medical Detachment, Troy; Antitank Company, Whitehall; Service Company, Troy; 1st Battalion Headquarters, Troy; Headquarters Detachment 1st Battalion, Hoosick Falls; Company A, Troy; Company B, Cohoes; Company C, Troy; Company D, Troy; 2d Battalion Headquarters and Headquarters Detachment, Schenectady; Company E, Schenectady; Company F, Schenectady; Company G, Amsterdam; Company H, Schenectady; 3d Battalion Headquarters, Schenectady; Headquarters Detachment, 3d Battalion, Saranac Lake; Company I, Malone; Company K, Glens Falls; Company L, Saratoga Springs; and Company M, Gloversville.

106th Infantry Headquarters, Albany; Medical Detachment, Rome; Headquarters Company, Hudson; Antitank Company, Catskill; Service Company, Albany; All 1st Battalion, Albany; 2d Battalion Headquarters and Headquarters Detachment, Binghamton; Company E, Binghamton; Company F, Walton; Company G, Oneonta; Company H, Binghamton; 3d Battalion Headquarters and Headquarters Detachment, Utica; Company I, Mohawk; Company K, Oneida; Company L, Utica; and Company M, Utica.

54th Infantry Brigade Headquarters, New York; and Headquarters Company, New York.

108th Infantry Headquarters, Syracuse; Medical Detachment, Syracuse; Headquarters Company, Syracuse; Antitank Company, Rochester; Service Company, Auburn; Band, Syracuse; 1st Battalion Headquarters and Headquarters Detachment, Syracuse; Company A, Watertown; Company B, Geneva; Company C, Syracuse; Company D, Oswego; 2d Battalion Headquarters and Headquarters Detachment, Rochester; Company E, Rochester; Company F, Medina; Company G, Rochester; Company H, Rochester; 3d Battalion Headquarters and Headquarters Detachment, Auburn; Company I, Auburn; Company K, Hornell; Company L, Elmira; and Company M, Ogdensburg.

165th Infantry complete, New York.

52d Field Artillery Brigade Headquarters Battery, New York.

104th Field Artillery Regiment Headquarters, New York; Medical Detachment, New York; Headquarters Battery, New York; Service Battery, New York; 1st Battalion Headquarters and Headquarters Battery, Syracuse; Battery A, Syracuse; Battery B, Binghamton; Battery C, Binghamton; 2d Battalion Headquarters and Headquarters Battery, New York; Battery D, New York; Battery E, New York; and Battery F, New York.

105th Field Artillery Regiment Headquarters, New York; Medical Detachment, New York; Headquarters Battery, New York; Service Battery, New York; 1st Battalion Headquarters and Headquarters Battery, Brooklyn; Battery A, New York; Battery B, New York; Battery C, New York; 2d Battalion Headquarters and Headquarters Battery, New York; Battery D, New York; and Battery E, New York.

106th Field Artillery Regiment complete, Buffalo.

102d Engineer Regiment complete, New York.

102d Medical Regiment Headquarters, New York; Service Company, White Plains; 1st Battalion Headquarters, New York; Company A, Rochester; Company B, New York; 2d Battalion Headquarters, Albany; Company D, New York; Company E, White Plains; 3d Battalion Headquarters, Albany; Company G, Jamaica; and Company H, White Plains.

102d Quartermaster Regiment complete, New York.

102d Observation Squadron, New York.

Summary: By the end of its wartime duty in the Pacific, the 27th had lost its local character. Those from every state in the Union saw service in its ranks in the more than five years it was away from home. When the Division returned to the United States, it again became a unit of the New York National Guard. Commanding General of the New York National Guard is:

Major General Robert Rose

Phone 518 786-4510

330 Old Niskayuna Road

Latham, New York

In charge of the 27th Division is Col. Robert Schnurr, chief of staff, Same address and phone number.

INTRODUCTION OF THE ESOP PROMOTION ACT OF 1995

HON. CASS BALLENGER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 7, 1995

Mr. BALLENGER. Mr. Speaker, it is with pleasure that I join my colleagues, Mr. ROHRBACHER of California and Mr. PAYNE of

Virginia, in introducing the ESOP Promotion Act of 1995.

Ever since my arrival in the Congress in 1986, I have tried to assist the promotion and improvement of employee stock ownership plans, or ESOP's. It is my personal belief that ESOP's and employee ownership are excellent arrangements for a free enterprise, capitalist economy. The ESOP provides a method for current owners of stock to sell, at fair market value, their stock to a trust that holds the stock for eventual distribution to employees upon their death, disability, or retirement.

Mankind has never known a better economic system than one with private property, and a market that is established by competition. And there is no better way to preserve that system than to ensure that those who work responsibly in the system have an opportunity to own—to have an equity stake in the product of their labor, be it manufacturing, professional services, financial services, or any other business endeavor.

Since Congress first codified the employee stock ownership plan approach, which permits the contribution of employer stock to a trust for employees and permits borrowed funds using the credit of the corporation, the amount of stock acquired by employee-owned companies in America has grown significantly.

All of us I assume have read about the big name companies that are employee-owned, such as Avis, United Airlines, and Weirton, but just like American business, most of the approximately 10,000 employee-owned companies are not publicly traded on stock exchanges, but are privately held.

I know ESOP's first hand, as my family's business utilized an ESOP for transferring much of the family's stakehold to those who had contributed so much to our business' success—the employees.

I believe that employee ownership, properly managed, creates a win-win situation for all involved—including America and our economic system as we increase competitiveness with employee ownership, and as we provide more opportunity for ownership for those who frankly would not have much of a chance at all to acquire stock ownership.

Following my remarks is a synopsis of this year's bill. Generally, the bill reflects my, and many of my colleagues, longstanding goal to permit subchapter S corporations to sponsor ESOP's as a one section. The bill would reinstate a provision of law that was repealed in 1989 which permitted an ESOP corporate sponsor to pay the estate tax of an estate that transfers stock to an ESOP. Also, for those corporations that have deducted dividends paid on ESOP stock, and who did so before the issuance of IRS regs, which were retroactive on these companies and subjected them to the alternative minimum tax, the bill would clarify, for that group of companies, there would be no AMT on the ESOP dividends.

Also, with the advent of providing stock directly to employees under a variety of schemes, such as stock options, the bill would clarify that employees with that stock, acquired under a plan conditioned on employment, could sell that stock to an ESOP and take the same treatment for their proceeds as an owner-founder selling to an ESOP, or outside investors. And the bill would under limited circumstances permit a deduction for stock transferred to an ESOP from a charitable remainder trust.

Finally, my bill corrects a glitch in the 1989 law that denies the availability of the ESOP lender interest exclusion for ESOP's that are known as employee-owned co-ops, where the stock is voted one person-one vote as opposed to proportional voting based on share ownership.

Mr. Speaker, I am aware that H.R. 2491, the Balanced Budget of 1995, vetoed by the President, had a provision added by the other body that repealed this particular ESOP incentive, the ESOP lender interest exclusion. Certainly, I and the other original drafter of the 1995 ESOP Promotion Act will make adjustments in our bill, or any section of our bill that might be affected by a provision in a budget bill that becomes law.

I close by urging my colleagues to join with us and demonstrate their support for ESOP's and employee ownership by cosponsoring this legislation. Since 1989, the House has shown strong support for ESOP's, and I think it is important to confirm this support in this Congress. We should not let the position of the other body on one ESOP provision leave the impression with the American people that this Congress is abandoning the over 20 years of strong congressional support for ESOP's and employee ownership.

I appreciate the opportunity to explain the ESOP Promotion Act of 1995, and ask that the synopsis be included in the RECORD at this point.

SYNOPSIS OF ESOP PROMOTION ACT OF 1995

Section 1: Names legislation ESOP Promotion Act of 1995.

Section 2: Under current law, corporations that operate under the tax law referred to as Subchapter S cannot sponsor an ESOP. There are hundreds of thousands of Subchapter S corporations; most are small, closely-held, businesses employing millions of people. There is no justification to deny employee ownership through ESOP's to this class of corporations. The proposed legislation would permit Subchapter S corporations to sponsor an ESOP. Because there is no corporate tax on income of these S corporations, the proposal would subject that share of the corporation's taxable income assignable to the ESOP's share of the income to a tax equal to the corporate tax.

Section 3: From 1984 until 1989, an estate with shares of certain closely-held corporations could transfer stock in the corporation to the corporation's ESOP, and the ESOP would assume the estate tax liability on the value of the transferred stock. The Tax Act of 1989 repealed this law. The proposed legislation would restore this incentive for stock to be transferred to an ESOP.

Section 4: The tax laws of 1984 and 1986 permitted dividends paid on ESOP stock to be tax deductible. Until 1989, these ESOP dividends were not subject to the corporate Alternative Minimum Tax, or AMT. In the tax bill of 1989, Congress altered the complex calculations utilized to figure the AMT. When the IRS issued regulations implementing the new formulas, on March 15, 1991, IRS retroactively deemed ESOP dividends to be subject to the corporate AMT. The proposed legislation would clarify that the IRS position is an incorrect interpretation of the law, and that ESOP dividends are not subject to the corporate AMT, if the ESOP was established before the IRS issued its retroactive regulation.

Section 5: Current law does not permit holders of stock in a closely-held corporation who acquired the stock as a condition of employment, from a plan, other than an ERISA plan, to sell that stock to an ESOP and receive a deferral of the tax on the gain.