

Turks carried out their massacre without outside attention or interference. The genocide began on April 24, 1915, with a sweep of Armenian leaders. It did not end until 1923 when the entire Armenian population of 2 million had been killed or deported.

It is estimated that 1.5 million Armenians died at the hands of the Ottoman Turks—half of the world's Armenian population at the time. By 1923 the Turks had successfully erased nearly all remnants of the Armenian culture which had existed in their homeland for 3,000 years.

As we look back on this tragedy today, we see the memory of the victims insulted by those who say the genocide did not happen. A well-funded propaganda campaign forces the Armenian community to prove and reprove the facts of the genocide. This is itself a tragedy for a people who would rather devote their energy to commemorating the past and building the future.

I stand here today to say the genocide did happen. Nobody can erase the painful memories of the Armenian community. Nobody can deny the photos and historical references. Nobody can deny that few Armenians live where millions lived over 80 years ago.

It is our responsibility and our duty to keep the memories of the genocide alive. A world that forgets these tragedies is a world that will see them repeated again and again. The story of this and other genocides must be known by all.

We must also honor the victims who perished so brutally. We cannot right the terrible injustice inflicted upon the Armenian community and we can never heal the wounds. But by properly commemorating this tragedy, Armenians will at least know the world has not forgotten the misery of those years. Only then will Armenians begin to receive the justice they deserve.

#### DIVIDENDS RECEIVED DEDUCTION

**HON. BILL ARCHER**

OF TEXAS

**HON. SAM GIBBONS**

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 3, 1995*

Mr. ARCHER. Mr. Speaker, recent news reports suggest that corporate taxpayers may be attempting to dispose of stock of other corporations through stock redemption transactions that are the economic equivalent of sales. The transactions are structured so that the redeemed corporate shareholder apparently expects to take the position that the transaction qualifies for the corporate dividends received deduction and therefore substantially avoids the payment of full tax on the gain that would apply to a sales transaction.

For example, it has been reported that Seagram Co. intends to take the position that the corporate dividends received deduction will eliminate tax on significant distributions received from DuPont Co. in a redemption of almost all the DuPont stock held by Seagram, coupled with the issuance of certain rights to reacquire DuPont stock.—See, for example Landro and Shapiro, *Hollywood Shuffle*, Wall Street Journal pp. A1 and A11, April 7, 1995; Sloan, *For Seagram and DuPont, a Tax Deal that No One Wants to Brandy About*, Wash-

ington Post p.D3, April 11, 1995; Sheppard, *Can Seagram Bail Out of DuPont without Capital Gain Tax*, Tax Notes Today, 95 TNT 75-4, April 10, 1995.—Moreover, it is reported that investment bankers and other advisors are actively marketing this potential transaction. We would like to express our appreciation to Congressman STEPHEN HORN for his efforts in bringing this issue to our attention.

Today we introduce legislation intended to curtail the use of such transactions immediately. We believe the approach adopted in the bill is the correct approach, given the incentives under present law for corporations to structure transactions in an attempt to obtain the benefits of the dividends received deduction. We welcome comments on the bill and recognize that additional or alternative legislative changes may also be appropriate. However, it is anticipated that any legislative change that is enacted would apply to transactions after May 3, 1995.

No inference is intended that any transaction of the type described in the proposed legislation would in fact produce the results apparently sought by the taxpayers under present law. The bill does not address and does not modify present law regarding whether a transaction would otherwise be eligible for the dividends received deduction, nor is it intended to restrict the IRS or Treasury Department from issuing guidance regarding these or other issues.

The bill is directed at corporate shareholders because it is believed that the existence of the dividends received deduction under present law creates incentives for corporate taxpayers to report transactions selectively as dividends or sales. No inference is intended that any transaction characterized as a sale under the bill necessarily would be so characterized if the shareholder were an individual.

#### DESCRIPTION OF THE BILL

Under the bill, except as provided in regulations, any non pro rata redemption or partial liquidation distribution to a corporate shareholder that is otherwise eligible for the dividends received deduction under section 243, 244, or 245 of the code would be treated as a sale of the stock redeemed. The bill applies to dividends to 80-percent shareholders that would qualify for the 100-percent dividends received deduction as well as to other transactions qualifying for a lesser dividends received deduction. It is not intended to apply to dividends that are eliminated between members of affiliated groups filing consolidated returns. However, it is expected that the Treasury Department will consider whether any changes to the consolidated return regulations would be necessary to prevent avoidance of the purposes of the bill.

The bill would replace the present law provision (sec. 1059(e)(1)) that requires a corporate shareholder to reduce basis—but not recognize immediate gain—in the case of certain non pro rata redemptions or partial liquidation distributions.

It is intended that the bill apply to all non pro rata redemptions except to the extent provided by regulations.

The bill retains the existing Treasury Department regulatory authority, contained in section 1059(g) of present law, to issue regulations, including regulations that provide for the application of the provision in the case of stock dividends, stock splits, reorganizations, and other similar transactions and in the case of

stock held by pass through entities. Thus, the Treasury Department can issue regulations to carry out the purposes or prevent the avoidance of the bill.

It is expected that recapitalizations or other transactions that could accomplish results similar to any non pro rata redemption or partial liquidation will also be subject to the provisions of the bill as appropriate.

It is also expected that redemptions of shares held by a partnership will be subject to the provision to the extent there are corporate partners.

There are concerns that taxpayers might seek to structure transactions to take advantage of sale treatment and inappropriately recognize losses. It is expected that the Treasury Department will by regulations address these and other concerns, including by denying losses in appropriate cases or providing rules for the allocation of basis.

It is anticipated that the private tax bar and other tax experts will provide input concerning the proposed legislation before its enactment. It is hoped that this process will identify any problems with the proposed legislation and potential improvements. Comment is encouraged in particular with respect to the loss disallowance provision, including whether the loss disallowance should be mandatory. Comment is also encouraged as to whether additional transition should be provided for existing rights to redeem contained in the terms of outstanding stock or otherwise.

#### EFFECTIVE DATE

The bill would be effective for redemptions occurring after May 3, 1995, unless pursuant to the terms of a written binding contract in effect on May 3, 1995 or pursuant to the terms of a tender offer outstanding on May 3, 1995.

No inference is intended regarding the tax treatment of any transaction within the scope of the bill. For example, no inference is intended that any transaction within the scope of the bill would otherwise be treated as a sale or exchange under the provisions of present law. At the same time, no inference is intended that any distribution to an individual shareholder that would be within the scope of the bill if made to a corporation should be treated as a sale or exchange to that individual because of the existence of the bill.

#### BROADCAST OWNERSHIP BILL

**HON. CLIFF STEARNS**

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 3, 1995*

Mr. STEARNS. Mr. Speaker, today, I am proud to introduce a bipartisan bill to reduce the restrictions on ownership of broadcasting stations and other media of mass communication. Congressman RALPH HALL from Texas, along with a number of my esteemed Republican colleagues support this bill which repeals antiquated rules and regulations and brings broadcasting up to date with technology. The bill states that the FCC is not to prescribe or enforce any regulations concerning cross ownership. The only rules that the FCC can make address national caps and local ownership combinations. The video marketplace has undergone significant changes. Today, most Americans have access not only to many

over-the-air broadcast channels, but also subscribe to cable, or own a home satellite receiver. With telephone company entry into the video marketplace, American consumers will have additional options from which to choose their programming. Despite all these advances in technology broadcasting should remain a vital component in the information age. Broadcast television occupies a unique position in the world of telecommunications. Broadcasting is not only the only technology available to 100 percent of American households, the content it provides is free. The only cost is for a receiver.

The bill does the following: First, states that the FCC shall not prescribe or enforce rules limiting crossownership of mediums of mass communications; second, increases the aggregate national audience reach from 25 to 35 percent upon enactment. One year later allows the cap to increase to 50 percent. The bill contains a built-in safeguard; within 2 years of enactment of the bill, the FCC is to commission a study to ensure competition in the marketplace; third, the bill allows certain station ownership combinations in a market: UHF/UHF; UHF/VHF and if the Commission determines that it will not harm competition and will not harm the preservation of a diversity of voices in the local market, VHF/VHF combinations; fourth, the bill also repeals all radio ownership restrictions.

I might add that this bill will be presented as an amendment to the communications act of 1995, which has the full support of Chairman BLILEY and Chairman FIELDS and as previously mentioned, it is bipartisan.

CONGRATULATING CHERYL  
STEVENS, HONOR ROLL TEACHER

**HON. KEN BENTSEN**

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 3, 1995*

Mr. BENTSEN. Mr. Speaker, I rise today to congratulate Cheryl D. Stevens, of Roberts Elementary School in Houston, TX. Ms. Stevens has been named by the Association of Science-Technology Centers to its 1995 Honor Roll of Teachers.

The Children's Museum of Houston, which nominated Ms. Stevens for the honor roll, recognized her remarkable dedication to the world of science and teaching. Ms. Stevens excels in both at Roberts Elementary, where she teaches science to kindergarten through fifth graders. She and her students are participants in Science-by-Mail, a pen pal program designed to match fourth through ninth graders with scientists around the country. Over 20,000 kids and 20,000 teachers are involved in Science-by-Mail. In addition to Science-by-Mail's regular pen pal program, Ms. Stevens and her classes have participated in a special Science-by-Mail teleconference, Teltrain XI, a video town meeting televised around the country for scientists and students.

Ms. Stevens is also active in the Annual Meet Your Scientist Day, which will take place this year on Saturday, May 6, 1995. Over 300 school children will meet with scientists to learn more about the world of science and technology. This year, Ms. Stevens will be honored for her recognition as one of ASTC's honor roll teachers for 1995.

Ms. Stevens is a member of the Magic School Bus Advisory Committee, sponsored by the National Science Foundation and the Children's Museum of Houston. She also works actively on the Science and Technology Committee and the Building Blocks for a Healthy Classroom Conference at the museum.

Only 43 teachers were named to the 10th annual ASTC's honor roll. Each teacher has gone beyond the normal requirements of their school curriculum by using the resources of their local science center to inspire, educate, and stimulate students' interest in science and technology. I salute Ms. Stevens on her accomplishments and especially for her commitment to teaching. She is an outstanding role model for Houston's teachers and students. Her placement on ASTC's Honor Roll of Teachers is well-deserved.

OPENING OF THE SPECIAL EXHIBIT  
"DEFENDING RELIGIOUS  
LIBERTY"

**HON. CHRISTOPHER H. SMITH**

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 3, 1995*

Mr. SMITH of New Jersey. Mr. Speaker, thank you for this opportunity to speak out for religious freedom.

The worldwide religion known as the Baha'i Faith is one of the most peace-loving groups in the world—and yet one of the most consistently persecuted.

The Baha'i Faith began in Persia in the 1840's, and spread rapidly through the Middle East, where Islam has historically been dominant. Though the Baha'i Faith now has adherents all around the world, including all 50 States of the United States, its historic links to the Mideast have helped bring it repeatedly into conflict with Islam.

Islam, like most other world religions, teaches certain truths that its adherents take to be absolute. Baha'is take a different approach, seeing all religions as successive revelations, each with a partial truth.

These questions are faced, one way or another, by all men and women of conscience. And it is inevitable that many of us will come out differently on these questions. In decent societies—in free societies—we respect each other's freedom of conscience. If we seek to persuade one another, we do it in friendship, and with respect.

But in some parts of the world, force is still used to settle religious issues. In Iran, with its extremist regime, the fact that the Baha'is question Islam's claim to represent God's full and final revelation makes them a target of unceasing persecution. The fact that the Baha'i Faith arose on territory in which Islam has been dominant for some 1,400 years, and among ethnic groups with a long Islamic heritage, seems to be an unbearable irritant to the Iranian regime. They view the Baha'is as worse than mere adherents of another religion—which, in their eyes, is quite bad enough. They view them as something worse: as heretics, as conscious destroyers of Islam.

For those of us who have met Baha'i believers—even those of us who come from a religious perspective quite different from theirs—the notion that they would be destroyers of anything is simply absurd.

Yet Baha'is in Iran have no legal rights, despite being the largest religious minority in that country. More than 200 Iranian Baha'is, including women and teenage girls, have been executed for their faith since 1979. Thousands have faced torture and imprisonment for refusing to convert to Islam. Tens of thousands have lost their jobs, and been forced to repay past salaries or pensions. All Baha'i students were expelled from Iranian universities by 1982.

President Clinton has placed Iran's treatment of its Baha'i minority on a par with ethnic cleansing in the former Yugoslavia. Given the professed intention of the Iranian regime to block the progress and development of the Baha'i Faith, I would have to agree with the President on this.

I salute my colleagues for sponsoring this exhibition on the persecution of the Baha'i Faith community. I hope it will inspire all who see it to stand up for religious freedom.

Thank you very much.

A SALUTE TO SMALL BUSINESS  
WEEK

**HON. KWEISI MFUME**

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 3, 1995*

Mr. MFUME. Mr. Speaker, I rise today to remind my colleagues, as well as the American public, that the week beginning April 30 is National Small Business Week, and I would like to take this opportunity to discuss small and minority-owned businesses and the role they play in our economy.

Not all Americans realize how important small businesses are to our national economy. Although the definition of a small business is sometimes varied, the fact of the matter is that firms with less than 100 employees account for more than 98 percent of the Nation's enterprises. Furthermore, between September 1991 and September 1992, jobs in small business dominated industries increased by 177,700 which helped to offset the 400,000 job decrease in industries dominated by large businesses.

While nonminority men still own the lion's share of small businesses and still represent the largest number of sales, minority- and women-owned businesses are increasing in size and number. Minority-owned businesses have increased from approximately 380,000 in 1969 to 1.5 million today. Despite this increase, however, minorities are still not fairly represented in small business ownership; while minorities comprise nearly 20 percent of the total U.S. population, they own less than 9 percent of American businesses.

In addition to playing an important role in the national economy, minority- and women-owned businesses also tend to play important roles in their communities. In many poor, urban communities, minority-owned businesses are often the only commercial establishments available. Furthermore, as was demonstrated in a recent Department of labor study, minority- and women-owned businesses are more likely to hire minorities and women than are businesses owned by nonminority men. In short, minority- and women-owned