

Louisiana and Debbie Stabenow of Michigan, and senators from the right, including Republicans Roy Blunt of Missouri, Pat Roberts of Kansas and John Thune of South Dakota, are, for example, co-sponsors of the Promotion and Expansion of Private Employee Ownership Act of 2013.

As far back as 1974, Ronald Reagan, then governor of California, strongly endorsed the concept, telling Young Americans for Freedom that “capitalism can work to make everybody a ‘have.’” In an analysis reminiscent of Russell Long’s, Reagan said:

“Income, you know, results from only two things. It can result from capital or it can result from labor. If the worker begins getting his income from both sources at once, he has a real stake in increasing production and increasing output. One such plan is based on financing future expansion in such a way as to create stock ownership for employees. It does not reduce the holdings of the present owners, nor does it require the employees to divert their own savings into stock purchases.”

Second, Blasi, Freeman and Kruse point out that there are already extensive mechanisms in place for employee ownership, not only formal ESOPs but also a variety of profit-sharing plans. Because of this, they argue, major innovations are unlikely to be needed; improvements in existing laws and practices should suffice.

The authors cite responses to a question on employee ownership asked in a 2006 General Social Survey. The survey found that 47 percent of private-sector, full-time wage and salary workers now have access to some form of sharing in the firm where they work—cash profit sharing, cash gain sharing, employee stock ownership, employee stock options or ESOPs.

Third, and most important, is the authors’ claim that it is economically advantageous to give employees an ownership stake in the firm for which they work. Blasi, Freeman and Kruse provide evidence that employees with some form of worker ownership accumulate more savings than employees in non-participating firms and that firms with some form of capital sharing perform better in the competitive marketplace than those that do not.

They write that “workers with profit sharing or employee stock ownership are higher paid and have more benefits than other workers. This means that the substantial profit sharing and gain sharing and ownership stakes for the typical worker in these plans tend to come on top of, not in place of, fair fixed wages and benefits.”

In addition, the authors cite studies showing sharp increases in productivity, higher employee morale, lessened turnover and fewer bankruptcies in corporations that adopt ESOPs.

These findings raise a series of questions.

If the various forms of worker capitalism or profit sharing produce such benefits, why hasn’t the free market itself forced every company to adopt similar plans?

Asked about worker ownership, Robert Frank, an economist at Cornell and a specialist on issues concerning inequality, wrote in an email that he is “skeptical,” and cites his analysis of employee ownership in his book, “The Darwinian Economy,” in which he argues that if a worker-owned firm has all the advantages its proponents claim:

“It would enjoy a prodigious competitive advantage. Since wages account for about 70 percent of a typical firm’s total cost, increasing productivity by 15 percent would reduce total cost by more than 10 percent. The firm could cut its prices by almost that amount and still remain profitable, which would enable it to peel off most of its rivals’ customers.”

Frank pointed out that “any firm that enjoyed these advantages should sweep the market like a prairie fire, reaping enormous profits in the process.”

Freeman addressed this question in a series of email exchanges with me. He began by noting that there is management opposition to profit sharing with rank and file employees “because the people who control the firm may have to take lower profits—if I am in charge of the firm and sharing profits with you raises productivity, but it means that I take less in profits, I will not favor going to a more shared system.”

In addition, Freeman argued, “magnitudes are important.” The gains from employee share programs are modest, a “productivity edge of about 2 percent or so on average,” which may be trumped by other marketplace factors, including “some small monopoly advantage” held by competitors.

Freeman emphasized that many liberal-left economists and policy makers are locked into the view that labor and capital are intractably adversarial. Consequently they “favor a European style big government/strong union solution to inequality” rather than solutions of a more cooperative nature such as ESOPs.

Blasi, in a more detailed response, emailed that “both Democrats and Republicans until recently really believed that inflation-adjusted wage income growth or lowering taxes alone could maintain and grow the middle class.” In fact, Blasi argues, changing economic conditions dictate that “the sustaining of a middle class and mobility requires a capital ownership and a capital income policy.”

In addition, Blasi writes, the “economic share policy tradition in American history has been sidelined by scholars in the modern and post-modern era. Until now, if you argued for ESOPs you were using ‘small ball’ ideas.”

Liberal opposition to ESOPs is based in part on the view that the program amounts to a collection of tax subsidies for corporations and the wealthy. The tax breaks for ESOPs originally included a tax credit for company contributions; a deferral of taxes on shareholders who sell stock to an ESOP; deductibility of corporate dividends on ESOP-held shares; the exclusion from tax liability of 50 percent of the interest income from loans to an ESOP; and a 50 percent estate tax exclusion on the gain from the sale of shares to an ESOP.

Blasi, Freeman and Kruse acknowledge that some critics see ESOPs as pioneering “a form of special-interest tax incentives from the Treasury.” Their counterargument: “We see the ESOP as the continuation of the Founders’ desire to reduce inequality and preserve democratic practices by extending property ownership to more Americans.”

The Blasi-Freeman-Kruse proposal has the crucial political advantage of appealing to some on the political right because it would, in fact, make employee share programs more attractive by boosting tax subsidies—a form of cutting taxes.

Most significantly, the Blasi-Freeman-Kruse proposal stands apart from alternate policy initiatives designed to address growing inequality because it directly addresses the concentration of wealth and political power at the top.

For that reason alone, the idea of expanding employee ownership deserves serious consideration. The proposal does not resolve the question of how to give workers a sufficiently large share of capital to materially impact their economic status. Still, there are not that many viable options available to those who are committed to improving the disadvantaged position of labor versus capital. Politicians and policy makers can-

not afford to disregard a proposal with demonstrable potential.

## DOWN EAST MAGAZINE 60TH ANNIVERSARY

Ms. COLLINS. Madam President, I rise today to recognize the 60th anniversary of Down East: The Magazine of Maine. From the inaugural August, 1954, edition of 5,000 copies assembled around a kitchen table in Camden, ME, Down East has grown to become one of America’s most successful regional publications with a circulation that exceeds 90,000 and a devoted readership of people around the country who love the beauty and culture of the State of Maine.

Down East was founded by Duane Doolittle, a native Mainer who left a secure teaching position at Syracuse University at the age of 42 to return home in pursuit of his dream to publish a magazine dedicated to, as he wrote in his first message to readers, “honestly reflecting the beauty, the spirit, the unique and special qualities that make this corner of the world like no other place under the sun.” For six decades, that statement of purpose has been fulfilled by talented photographers and engaging writers, today under the leadership of publisher Bob Fernald.

The name of the magazine was taken from the historic practice of sailing downwind to head east along the coast of Maine, and Down East continues to celebrate the heritage of Maine. At the same time, the magazine has expanded its scope to cover with expertise and insight contemporary trends in the arts, food, fashion, business, and politics. In addition to its award-winning print publication, Down East has a strong digital presence with a global readership of more than 900,000 and a popular interactive kiosk at the Portland Jetport that offers the best in Maine-made products.

Down East goes beyond recording life in Maine to enhancing it. From charities and land conservation to the arts and festivals, the company is a generous supporter of efforts that strengthen our communities.

Capturing the essence of Maine in print is no easy task. Duane Doolittle put it this way: “To attempt to crack the mystery of what those things are that make a Downeaster different from a Texan or a Hoosier would be as unavailing as pondering the imponderables. All we can honestly say is that we are tuned to this particular parcel of earth and we like its music.”

That mystery may never be cracked, but for 60 years Down East: The Magazine of Maine has made the attempt entertaining and enlightening. I congratulate the leadership and staff of Down East on this milestone anniversary and wish them continued success for years to come.

## RECOGNIZING MARY “MICKEY” THOMAN

Mr. ENZI. Madam President, I appreciate having this opportunity to share

with the Senate some of the accomplishments and achievements of one of my constituents, Mary “Mickey” Thoman. Mickey will soon—and most deservedly—be inducted into the Wyoming Agriculture Hall of Fame. It will be another honor for her, a recognition that is fully and richly deserved.

Mickey is well known for her knowledge, experience, and dedication to the agriculture industry of Wyoming, a sector of our economy that is so important it is listed on our State seal. No one knows how much we depend on our farmers and ranchers more than Mickey, and that is why she has been such a strong and effective force in the agriculture community of Wyoming for so many years.

The record shows that Mickey has been tending to her family’s ranching business and keeping everything running as it should for quite some time. In fact, her ranch can now boast of its status as a fifth-generation family ranch. I have no doubt she draws her strength and her energy from the work she does and her heartfelt connection to her ranch and her family. At the wise, experienced, and youthful age of 84, Mickey continues to prove the wisdom of the old adage that the best way to lead is by example.

Mickey’s is a truly remarkable story. It begins with her marriage to her late husband Bill and their decision to begin ranching together in the Green River Valley after they were married in 1948. It is now more than six decades later. Through the years Mickey has seen some tough times and faced some difficult challenges, but she has always been able to handle each obstacle that tried to block her way because of her great love of her life as a rancher.

Mickey is well known throughout the ranching community because of her ties to the industry and to those who farm and ranch for a living. That is why, in an effort to help the next generation of farmers and ranchers, she served as a 4-H leader for many years and helped to found the Green River Valley CattleWomen and Sweetwater County Cowbells. Today, her ranch raises Hereford cattle, Rambouillet sheep, and thoroughbred quarter horses.

Over the years Mickey has passed on her love of ranching and her commitment to the Wyoming values that made her such a success to her children, her grandchildren, and her great-grandchildren. As they continue to put the lessons Mickey has taught them into practice they will always remember that Mickey was the one who taught them how to do so many things on the ranch.

When Mickey is inducted into the Wyoming Agriculture Hall of Fame she will be in good company. She will be among those who pursued their commitment to serving their community by working to support the growth and strength of our agriculture industry and our state economy. Mickey will fit right in because she has been an out-

standing leader in that regard, serving with agriculture organizations and groups on both the State and the national level. They were fortunate she was willing to serve and to bring her knowledge of the industry to their work so that she might help them to make a difference. Over the years the contribution she made of her time and her talents helped to advance the interests of the agriculture community as she served with the Wyoming Stock Growers Association, the Guardians of the Grasslands, the Wyoming Farm Bureau, the American Quarter Horse Association, the National Cattlemen’s Beef Association, the American Sheep Industry Association, Wyoming CattleWomen, and the Wyoming Woolgrowers Association. Clearly, Mickey has never been one to sit idle when there was work to be done.

Mickey’s upcoming induction into the Wyoming Agriculture Hall of Fame won’t be the first time she has been honored for her commitment to ranching, farming, and our Wyoming way of life. She has also been recognized with the Green River Valley Ranch Woman of the Year award in 2012, the Farm Family Today Award from the Sweetwater County Fair in 2013, a Partnership Appreciation Award from the Wyoming Landscape Conservation Initiative in 2012, and, with her husband Bill, the Sweetwater County Ranch of Couple of the Year Award in 1988 and the Upper Green River Valley Cattlemen’s Lifetime Honorary Member Award in 1997.

Mickey Thoman has shown she has what it takes to not only survive but to thrive in what can be a truly demanding business. Through it all, she has been a role model for others to learn from and an example not only of the best of Wyoming’s traditions and values but proof of their power and strength. In a short while, I will be proud to join with Senator BARRASSO as Mickey Thoman is officially inducted into the Wyoming Agriculture Hall of Fame. It is another honor she has truly earned with her hard work, her leadership, her friendship with so many members of Wyoming’s agricultural community, and her active interest and involvement in every aspect of the industry she has been a part of since she and her husband first began to work their ranch more than 60 years ago.

#### RECOGNIZING FRANK MOORE

Mr. BARRASSO. Madam President, at the 102nd Wyoming State Fair, I, along with Senator ENZI, will have the honor of introducing Frank Moore as he is inducted into the Wyoming Agriculture Hall of Fame for 2014. Frank has spent his lifetime working for positive changes in agriculture, and he has undoubtedly earned this honor through his impact both in Wyoming and nationwide.

Frank Moore’s ancestors came to the Wyoming Territory in 1876 and started

a ranching legacy. A century later in 1978, Frank and his wife Elaine began raising their own cattle and sheep at the Spearhead Ranch north of Douglas, WY. They also started a successful outfitting business which further diversified their ranching operation.

Frank has been iconic in his efforts to promote and build the sheep industry. He is currently serving as chairman of the Mountain States Lamb Cooperative, an organization he helped establish in 2001. The founders of the Mountain States Lamb Cooperative knew that strategic vertical integration of the sheep industry was the only way to save it, and they led the charge in making it happen. Brad Boner, another founder of the Mountain States Lamb Cooperative and Wyoming rancher, observed: “Without Frank’s outstanding leadership and strong passion for Wyoming’s sheep industry, I am not sure we would have been successful in our efforts to form the Mountain States Lamb Cooperative.”

For almost three decades Frank has dedicated a great deal of time and energy by volunteering and serving on boards and committees at both the State and national levels. In addition to serving on the Mountain States Lamb Cooperative board since its inception, Frank has been the president of the Wyoming Wool Growers Association, served on the board of directors of the Kansas City Federal Reserve Board, and he served in the Wyoming House of Representatives from 1993 to 1996. He personally worked to establish the Scrapie Eradication Program, National Wool Act, Guard Dog Program, and many other initiatives that have influenced the sheep industry nationally.

Peter Orwick of the American Sheep Industry has said the industry is in a better place because of Frank’s leadership and willingness to make hard decisions. The undying passion and determination of citizens like Frank and his wife Elaine keep the agriculture industry in both Wyoming and America thriving.

My wife Bobbi joins me in extending our congratulations to Frank and thanking him for his dedication to the Wyoming way of life. I will be honored to share this special day with Frank and his family as he is inducted into the Wyoming Agriculture Hall of Fame.

#### MUDDYING THE WATERS

Mr. BARRASSO. Madam President, I ask unanimous consent to have printed in the RECORD a column written by Mr. Dennis Sun, Publisher of the Wyoming Livestock Roundup, entitled “Muddying the Waters.” The article was published on June 21 of this year.

Through this recently proposed Clean Water Act jurisdictional rule, Federal agencies are attempting to expand the definition of “waters of the United States” to include ditches and other dry areas where water flows only for a