

EMPLOYEE OWNERSHIP ACT OF 1999, LEGISLATION AS SIGNIFICANT TO THE AMERICAN PEOPLE AS THE HOMEOWNER'S MORTGAGE DEDUCTION

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

Mr. ROHRBACHER. Mr. Speaker, today I am submitting to Congress what I believe will be an historic piece of legislation. It is entitled The Employee Ownership Act of 1999. This legislation, I predict, will be as significant to the American people as the homeowner's mortgage deduction, which has ensured the widespread ownership of homes throughout the United States of America.

In fact, 60 percent of the American people own their own homes, and this can be traced to the fact that we have written our tax law in a way that encourages widespread ownership of housing and homes in the United States.

The goal of my bill is that after 10 years, 30 percent of all of America's major corporations will be owned and controlled by their own employees. Now, I know that sounds a bit radical. That sounds like a big change, but we have had a great deal of employee ownership expansion over these last 20 years.

This bill, under the guise of ESOPs, Employee Stock Ownership Plans, what I am proposing is an ESOP-plus idea that would increase employee ownership throughout this country.

This bill will bring about a new category of American business, the Employee Owned and Controlled Corporation, EOCC.

These new corporate structures would be modeled somewhat after United Airlines. As we know, the employees at United Airlines bought a controlling interest in their own corporation and now make many of the decisions that affect United Airlines and thus affect the employees.

In fact, the legislation I am proposing would establish an employee trust that when it owns 50 percent of the shares of a company will be entitled to substantial tax incentives that will encourage the growth of employee ownership and ensure the success of this new employee owned and controlled company.

Some of the tax incentives suggested by my legislation: Number one, if someone sells stock in a company to an employee trust or to the employee who is part of the trust, that person shall pay no capital gains on the sale of that stock. Thus, someone is given the incentive to sell the stock to an employee.

Employees who accept stock as part of their pay during the creation of an employee owned trust, that if they accept it in lieu of their pay, they will not have to pay income tax on that stock.

Of course, corporations have a right not to be a part of an employee trust

and there are many corporations who will not participate in this or employees who will not be part of this, but if, for example, an employer or anyone else who owns stock in a company, which is establishing an employee trust, if they sell their stock or, let us say, they give their stock to an employee trust as part of a bequeathal situation, where someone is leaving that in their will to the employee trust, then it decreases the inheritance liability on their estate by a one-to-one ratio.

So if someone left a million dollars in their will to an employee trust of stock in that company, well, then the inheritance liability to their heirs would be reduced by that one million dollars.

The goal of this, of course, is to expand employee ownership. In the end, if we have established these employee owned and controlled companies, they will, by my legislation, not pay corporate income tax. This will provide a major incentive for Wall Street to work with the working people of this country to empower them in a way that they will be able to control their own economic destiny as never before.

This would be the equivalent of the Homestead Act. Many people forget that the Republican Party was the party of the Homestead Act. In 1862 when Abraham Lincoln signed the Emancipation Proclamation, that same day he signed the Homestead Act, which opened up the idea of ownership of property to millions of people. It was essentially an important part of the American dream.

What we are trying to do now is expand upon that, expand on the home mortgage deduction, expand on the Homestead Act, expand on the idea that people have a right to own their own home but they also should have an incentive in the tax system to own and control their own company. Thus, they will control their own economic destiny. This is the ultimate empowerment. This will increase productivity. It will see that there are no strikes because people would be striking against themselves, their own company or at least they would be more willing to talk out problems within a company.

THE KOSOVO CONFLICT, NO END IN SIGHT

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

Mr. CUNNINGHAM. Mr. Speaker, I want to give some perspective on an issue that is, I think, very near and dear to every American's heart, as it is in Kosovo today also.

I would like to give the Speaker a little perspective. First of all, according to Henry Kissinger, and I agree, Rambouillet was a very poor foreign policy. It was an agreement only between Albania and the United States in which

the United States knew, in no uncertain terms, that Serbia would never give up Kosovo itself. Any history student would know that.

We have spent \$16 billion in Bosnia to date; Somalia cost us billions of dollars; Haiti cost us billions; \$4 billion times the four strikes in Iraq, the Sudan, Afghanistan. Our troops are deploying 300 percent above the highest level in Vietnam but yet we are doing it with about half the force. Enlisted retention in our own military is below 23 percent; pilots, 30 percent.

The Joint Chiefs of Staff said we are \$150 billion short. We cannot buy spare parts. We do not even have basic bullets. Top gun, 14 of 23 aircraft are down; 18 for engines; 137, parts.

Kosovo, and this is according to General Clark, I was with General Clark just days ago and I said I want to know how many sorties the United States is flying. Mr. Speaker, General Clark said, and this is accurate to the sortie, 75 percent of all strikes in Kosovo are being flown by the United States. That does not include the B-2s, the tankers, the support aircraft like C-17s and C-130s. That brings it up to 82 percent.

We are dropping 90 percent of all the weapons, so we are paying for over 90 percent. That does not even include our ships. That does not include our manpower over there. My point is that it should be the other way around.

The reason given by General Clark is that other nations do not have the stand-off capability that we do so we are having to fly 90 percent of this stuff, 82 percent of it and 90 percent of the ordnance.

My point is that the supplemental that we are going to ask for, if NATO is a fair share organization, then NATO ought to pay the United States between \$10 and \$20 billion for our supplemental and not come out of our taxpayers' dollars.

Let me give you another perspective. Before the bombing in Kosovo, there were only 2,000 deaths. Each death is important, but in perspective there were only 2,000 deaths attributed in Kosovo that whole year. One-third were Serbs and other nationalities besides the Albanians, but after the bombing look at the number of deaths. We have just killed 70 Albanians in a convoy trying to get out of Kosovo. NATO has killed 70 Albanians in an air strike. Look at the million refugees that these air strikes have caused that would not be there unless we had bombed Kosovo.

The Croatians executed 10,000 Serbs in 1995 in Croatia. They deported and fled over 250,000 Serbs as refugees. Indonesia has killed millions; Turkey, thousands; India with the Sikhs; China, thousands with Tibet. Yet, we are in a mass war where there is less than 2,000 deaths, and over a third of those by the people we are claiming to bomb.

The Pentagon, confirmed by Secretary Cohen, that the Pentagon did not want to execute just air strikes. The Pentagon told the President that