

This legislation would correct this problem by once again permitting certain tax-free liquidations of closely-held corporations into one or more tax exempt 501(c)(3) organizations.

Under current law, the problem with giving closely-held stock to charity is that the absence of a market for such stock and the typical pattern of small and sporadic dividends paid by such closely-held companies make it difficult for a charity to benefit from ownership of such stock. Accordingly, if such stock is given to a charitable organization, and in particular if a controlling interest is given, the corporation may have to be liquidated either by statutory requirement or to effectively complete the transfer of assets to the charity for its use. Under current law, such a liquidation would incur a corporate tax at a Federal rate of 35 percent. This cost is imposed as a result of the tax law changes made in 1986 that repealed the "General Utilities" doctrine and this imposed a corporate level tax on all corporate transfers, including those to tax exempt organizations. The charitable organization could also be subject to unrelated business income taxes. These tax costs make contributions of closely-held stock a costly and ineffective means of transferring resources to charity, and these are the costs I propose to eliminate in order to free up additional private resources for charitable purposes.

The legislation I introduce today eliminates the corporate tax upon liquidation of a qualifying closely-held corporation if certain conditions are met. Most importantly, qualification would require that 80 percent or more of the stock must be bequeathed at death to a 501(c)(3) tax-exempt organization. This bill also clarifies that the charity can receive mortgaged property in a qualified liquidation free from the unrelated business income tax for a period of 10 years. This change parallels the exemption from the unrelated business income tax [UBIT] for 10 years provided under current law for direct transfers by gift or bequest.

By eliminating the corporate tax upon liquidation, Congress would encourage additional, and much needed transfers to charity. Individuals who are willing to make generous bequests of companies and assets they have spent years building should not be discouraged by seeing the value of their gifts so substantially reduced by taxes. There will be a revenue cost to this legislation, probably in the hundreds of millions of dollars based on work the Joint Committee on Taxation has done on this concept over the past year. But it is crucial to remember that this cost represents charitable giving of many times that amount; by the same techniques used to estimate tax cost, it's estimated the giving stimulated to be as much as seven times the revenue cost, placing its value in the range of \$2 to \$3 billion. In short, this revenue impact represents the expectation of significant transfers to charity as a result of the legislation.

Good tax policy would advocate the broadest support of charitable giving. It is worthwhile to note that the individual donor does not receive any tax benefit from the proposal. All tax savings go to the charity. By inhibiting these charitable gifts, the Government not only hurts those individuals that most need the help of their Government and their community.

I welcome my colleagues' support and sponsorship for this legislation. I urge each Member to talk to their constituents about it and learn for themselves the response re-

ceived from those individuals and families in local communities in a position to make such a charitable gift of their business.

#### PERSONAL EXPLANATION

### HON. CASS BALLENGER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 12, 1997

Mr. BALLENGER. Mr. Speaker, on Saturday, November 8, I missed rollcall votes 617 (H.R. 2631) and 618 (H.R. 2534). Had I been present I would have voted "yea" on both.

#### TRIBUTE TO EUGENE LESESNE

### HON. WILLIAM J. COYNE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 12, 1997

Mr. COYNE. Mr. Speaker, I rise today to pay tribute to one of my constituents, Mr. Eugene Lesesne of Pittsburgh, PA.

Eugene Lesesne, a U.S. Army veteran of World War I, will be 100 years old on November 19. Born in Sumter County, SC, he served in the Quartermaster Corps in France in the final months of the First World War. He moved to Pittsburgh shortly after his discharge in 1919 and has lived there ever since.

A quiet, unassuming person, Mr. Lesesne lived a life of hard work as a laborer. He was married twice, widowed twice, and was a father of four. Mr. Lesesne attributes his long life to the good habits instilled by his parents, whom he describes as "good Presbyterians who taught me to stay away from bad things." A longtime member of Grace Memorial Presbyterian Church, in 1968 he joined with church people of different races to form the Community of Reconciliation, an interracial, interdenominational church. He continues to sing tenor in that church's choir to this day and is noted for the natty way he dresses.

I commend him to this body as an example of a man who served his country overseas in his youth and came back home to lead an exemplary salt-of-the-Earth life.

#### COMMEMORATING THE 25TH ANNIVERSARY OF THE GREAT LAKES WATER QUALITY AGREEMENT

### HON. STEVE C. LATOURETTE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 12, 1997

Mr. LATOURETTE. Mr. Speaker, I rise today to commemorate the 25th anniversary of the Great Lakes Water Quality Agreement [GLWQA]. This groundbreaking agreement between the United States and Canada was signed on April 15, 1972, by President Richard Nixon and Canadian Prime Minister Pierre Trudeau as a binational pledge to reduce and prevent Great Lakes pollution. The GLWQA grew out of a need to reverse the decades-long trend of decline in the health and beneficial uses of the Great Lakes.

My constituents have been especially impacted by water quality since my district in-

cludes the longest Lake Erie shoreline of any Ohio congressional district. In the late 1960's, Lake Erie was considered to be a dead lake, with stinking mats of algae growing profusely, and huge parts of the lake rendered uninhabitable for fish due to lack of oxygen. After a comprehensive study of this problem was conducted, it became apparent that these problems were the result of eutrophication, or the overfertilizing of the lake. Too much phosphorus was being dumped into Lake Erie from various sources, including farms, factories, and private homes. The 1972 GLWQA included provisions for the reduction of phosphorus loadings into Lakes Erie and Ontario.

As a result of the 1972 GLWQA, phosphorus levels significantly decreased in the Great Lakes. In Lakes Erie and Ontario, phosphorus loadings have been reduced by almost 80 percent. The United States and Canada achieved this binational goal through improvements in sewage treatment, lowering the levels of phosphorus in detergents, and reducing agricultural runoff.

In 1978, the GLWQA was revised and the two countries pledged to restore and maintain the chemical, physical, and biological integrity of the waters of the Great Lakes basin ecosystem. Toxic substances were a major concern by the late 1970's, and the two countries committed themselves to achieving zero discharge of toxic substances in toxic amounts and the virtual elimination of persistent toxic substances. These persistent toxics bioaccumulate in organisms and increase in concentration up the food chain. Some of these substances, such as PCB's and dioxin, have been shown to cause adverse health effects in humans and wildlife.

Again, my constituents have been impacted by the constant plague of persistent toxics which were dumped into the lakes during a time when the consequences of pollution were not understood. The Ashtabula River and harbor in northeast Ohio was a dumping ground for toxic waste for years.

The 1987 protocol to the Great Lakes Water Quality Agreement reinforced the 1978 commitments of the United States and Canada and highlighted the importance of human and aquatic ecosystem health. Provisions were added to clean up 42 local areas of concern in the Great Lakes and included the development and implementation of remedial action plans [RAP's] and lakewide management plans [LaMPs].

The Ashtabula River and harbor was designated as an area of concern by the International Joint Commission [IJC] in 1985, and a remedial action plan has since been developed to clean the river up. Under the leadership of the IJC, a coalition of interested parties has worked continuously to make the Ashtabula River and harbor one of the first successful cleanup sites in the Great Lakes. The Ashtabula River Partnership has made great strides in recent years to secure the commitment of the Army Corps of Engineers to safely dredge the sediments and dispose of them in a manner consistent with our obligation to protect the environment.

The accomplishments under the GLWQA extend beyond my constituents' corner of the Great Lakes. As a result of the United States and Canadian commitment to reducing toxic substance releases, cormorants in the Great Lakes region have significantly increased in population from the 1950's to the 1970's levels

when the number of nesting pairs of cormorants dropped by 86 percent. Concentrations of DDE and PCB, both persistent toxic substances, decreased in cormorant eggs by more than 80 percent between 1971 and 1989. Concentrations of chlorinated compounds, such as dioxins and furans which are used in the bleaching process of pulp and paper mills, have decreased in the Great Lakes by 90 percent since the late 1980's.

On November 1, 1997, in Niagara Falls, NY, the International Joint Commission, with Canada and the United States, celebrated the 25th anniversary of the GLWQA. This event was attended by many people in the Great Lakes community hailing from United States and Canadian Government agencies, environmental organizations, public interest groups, and industry. The key speakers at the celebration were Deputy Secretary John Garamendi, United States Department of Interior, and the Honorable John Fraser, Canadian Environment Ambassador, as well as a member of my staff, Mr. Brett Kaull.

At this landmark anniversary of the GLWQA, we must not rest on the laurels of the accomplishments of the past, for there is still much to be done to restore the environment of the Great Lakes. This effort will require vigilance and commitment from the United States and Canada, Federal and local governments, industry, and the public. In 1999, the United States and Canada will review the agreement's objectives and terms to determine whether to update its scope. Let us continue to work together in a concerted effort to achieve the goal of bringing back the Great Lakes to their former preeminence as a natural resource to be enjoyed for generations.

#### TRIBUTE TO RODGER MEIER

### HON. EDDIE BERNICE JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, November 12, 1997*

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, I rise today to pay tribute to a constituent and good friend Mr. Rodger Meier, this year's recipient of the Russell H. Perry Free Enterprise Award. It is very difficult to be brief when paying tribute to Rodger Meier, a man who has championed so many noble causes.

I know him as an advocate of entrepreneurial initiatives, community service and public policy issues that has produced opportunities for the citizens of Dallas. The Wright amendment was established to protect the economic opportunities and financial well-being of the Dallas-Fort Worth Airport. Rodger was right there and never fails to express his feelings about keeping the economy strong in the Dallas area.

In addition, he is a long-time supporter of DART and has led to my constituents enjoying better transportation and environmental opportunities while producing more dollars for area businesses and allowing passengers to reach key destinations without clogging our highways and freeways.

And so, it is truly fitting that he is being honored this year with the Russell H. Perry Free Enterprise Award. This award salutes entrepreneurial spirit and how it fosters opportunities, service, and civic responsibility. After all,

Rodger embodies all of these traits. And I shall never forget how he worked so hard and put in all of his efforts in passing into law, the 1985 education bond election. It was critical and he was there.

He was there because he believed in education and that no child should be left behind and that all children must be included in education. Rodger is just so good in every area and he really understands the needs for all of the people. And in addition to all his caring, he has been the No. 1 Cadillac salesperson in all of the country, and we all like Cadillacs.

I first met Rodger when we both were on the board of trustees at Texas Christian University where we both graduated from. And that friendship will never end. I have so much respect for him as a husband, father, Christian man and civic person extraordinaire. In addition to a few things that I have pointed out, Rodger is involved in so many more. He never forgets the young people, whether handicapped or not.

He never forgets to be caring as it relates to any issue and I think that the committee has decided this year to give honor to the award by citing Rodger Meier.

It is my pleasure to congratulate you Rodger, and in addition to congratulating you, I thank you. I thank you for all that you have done to make this world a better place and to make Dallas a better community. The award does itself honor in honoring you. I thank the awards committee. Rodger, my friend you have earned it, you deserve it and I hope that you enjoy it.

#### HONORING ADAM ARLEN

### HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, November 12, 1997*

Mr. TOWNS. Mr. Speaker, I rise today to honor Adam Arlen, a pioneer in providing community living for people with mental disabilities.

Mr. Arlen was born in Poland where he was educated in economics. After experiencing years of hardship during World War II and the oppression of the subsequent Communist government, in a dramatic personal adventure, he escaped to the United States to start a new life in 1966.

During his first years in America, following formal training, Adam Arlen became a nursing home administrator. In the early 1970's, seeing that large numbers of individuals with mental illnesses were being discharged from State hospitals into the community with inadequate aftercare, he pioneered the development of this type of community living in New York State. For almost two decades, he stood out among his colleagues as a supporter of the highest quality of services for individuals under his care. In his role as advocate, he testified before legislative and administrative bodies and supported the creation of award-winning mental health programs. As a founding member of the Institute of Community Living's Board of Directors, he has continued to speak out on behalf of those with mental disabilities offering unique and practical advice that stems from his special personal history and as well as professional interests.

Mr. Speaker, please join me in honoring the zealous and faithful advocacy of Adam Arlen on behalf of individuals with mental disabilities.

PATRICIA STARK OF RIVERHEAD, SELECTED AS PERSON OF THE YEAR

### HON. MICHAEL P. FORBES

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, November 12, 1997*

Mr. FORBES. Mr. Speaker, I rise today to join my friends and neighbors on eastern Long Island as we pay tribute to Patricia Stark, of Riverhead, in honor of her designation as 1997's Person of the Year by the Paumanok District of the Suffolk County Council of the Boy Scouts of America.

Pat Stark's good work is so extensive, it might be more apt to declare her Person of the Decade. She is being honored by the Suffolk County Boy Scouts because they recognize her selfless and seemingly endless contributions of time and energy to the entire Riverhead community. Pat has worked tirelessly to improve the quality of life for all her neighbors, whether through supporting the arts, beautifying our community, improving education, protecting the environment, or preserving her hometown's historic legacy.

After a career in education where she taught in several Long Island schools, Pat has directed her talents to private business and is now the vice president of Storage Town East. But she is most loved and respected for her tremendous pride in her community, one that has inspired her devotion to Riverhead. Pat founded the Riverhead Country Fair, serving as the event's cochair for 7 years, with the goal of the focusing the townspeople's attention on the special gifts of the Peconic River. With the help of her friends and neighbors, that purpose was attained and today the riverfront has come alive with the bustle of boaters, fishermen, residents, and tourists.

Pat also served as chairperson of Riverhead Townscape, an organization responsible for allocating the funds raised by the fair on beautification projects. Some of the beneficiaries those efforts include the Peconic Riverfront, Lombardi Park, the flower boxes, trees and plantings along Main Street, plantings in Grangebel Park, the gardens and grounds of the East End Arts Council, and the Riverhead Preservation and Landmark Society.

Pat's other efforts includes serving as cochair of the East End Arts Council's Suffolk Theater advisory committee, the Riverhead Business Improvement District's downtown planning strategies committee, and as president of the Riverhead Revitalization and Preservation Corp., which has just completed a vital historic restoration project on Roanoke Avenue.

Completing her prodigious list of volunteer efforts, Pat is a member of the advisory board of the Hallockville historic site, serves as director of Confraternity of Christian Doctrine for St. John's Roman Catholic Church and is still a prodigious fundraiser for many local non-profit organizations. Patricia has been recognized in the Senate by AL D'AMATO for her efforts in housing restoration and it is altogether fitting that the House of Representatives honor her contributions.

That is why, Mr. Speaker, that I ask my colleagues in the House to join me honoring Patricia Stark and recognize her commitment to promoting and protecting the quality of life of Riverhead and the entire east end of Long Island, for her family and for her community. We