

It is important to keep in mind that while tax-exempt bonds are generally used for worthwhile purposes, the program does entail a sizable commitment on the part of the American taxpayer. According to the Wall Street Journal in 1997, tax-exempt interest income was reported on about 4.9 million individual returns, and total tax-exempt interest amounted to \$48.5 billion.

Because there is a sizable commitment here, Congress and the Treasury have developed complex and carefully crafted rules to assure that these bonds are used for bona fide public purposes and not for private use of the Federal subsidy in tax-exempt bonds. These rules are intended to protect the taxpayers' interest and preserve a level playing field for concerned businesses.

A couple of instances have come to my attention in the last few months which suggest that there may be some misunderstanding of the very complex rules governing tax-exempt bonds and the intent behind these rules which have led local authorities to consider use these bonds to enter into direct competition with the private sector. The instances to which I refer include one in Las Vegas, where a local authority reportedly wishes to build a large addition to its convention center, and another in San Diego, where a local authority is reportedly looking at building a large hotel.

In cases like these, the taxpayer-subsidized facility can offer customers prices well below those that could be offered by a private facility financed at higher market rates. This strikes me as blatantly unfair, particularly in those cases where a taxpayer-subsidized facility is not a new enterprise, but instead siphons off business from already existing private business. Closing this loophole is the principal goal of my bill.

Obviously, my concern is with situations where the government is acting as a business and attracting customers. This legislation will have no effect on bonds used to build, maintain, or repair schools, hospitals, roads, or other facilities performing functions which private enterprise cannot or will not perform.

Mr. Speaker, it is bad enough that the government can impose unnecessary and costly regulatory burdens on the private sector. But, when that same government uses tax-exempt bonds to engage in competition with business, it raises a question of basic fairness.

It also blurs the lines of the role of government. Is it a wise use of taxpayer dollars to subsidize local government competition with business? I would again argue that my constituents would not support this notion or many other taxpayers.

Mr. Speaker, these are serious, national policy issues which need to be addressed on a bipartisan basis so that we can protect both private enterprises from subsidized government competition and the taxpayer interests.

It should be made clear at this point that the idea that federal tax subsidies and tax exemptions should not be used to create such an unfair competitive advantage is already in the current tax code. To prevent unfair competition, for nearly 50 years, there have been laws that have taxed businesses conducted by charities if the activity of that business is the type normally conducted by private taxable enterprises.

Keeping in line with this precedence, the legislation I introduce today closely tracks H.R. 2756 by denying tax-exempt financing for cer-

tain facilities that compete directly with existing private sector facilities in the same community. Specifically, it accomplishes this by deeming as nonexempt any "private activities bond" within the meaning of Section 141 of the Internal Revenue Code, any bond issuance, a significant amount of which is used to finance the construction, expansion, or substantial reconstruction of a facility which would be rented to businesses which could otherwise be served by an existing competing private facility.

As a clarification, Mr. Speaker, let me say again that the bill does not affect bonds issued for traditional functions of government: roads, bridges, schools, etc. To make this perfectly clear, it specifically exempts from its provisions educational institutions, hospitals, or similar facilities which provide educational services or medical care to members of the general public.

With one minor exception, the bill will not apply to "qualified bonds" that Congress has previously exempted from restrictions on "private activity" bonds. This includes bonds used for so-called "exempt facilities" under Section 142 of the Code, which includes such projects as airports, water treatment plants, docks and wharves, local power plants, etc. An exception is made for certain lodging facilities located in markets which could be served by private owned facilities, and these would generally be covered by my bill.

Furthermore, the bill include language to assure that projects, where physical construction has both already commenced in a material fashion (other than site testing, site preparation or similar activities) and is substantially underway, are not impacted. In fairness to those who may be planning transactions which fit within the parameters of this legislation, and to assure those local authorities, in an attempt to "beat the clock," do not rush through bond offerings before this bill is enacted, the bill include a clear effective date for all provisions with the exception of those addressing lodging facilities, which carry a date of enactment effective date.

Mr. Speaker, the legislation will protect businesses from having the Federal Government grant local government facilities an unfair advantage over them in the marketplace. Further, it will protect all taxpayers from having their tax dollars used to subsidize local government efforts to enter into, or expand its presence in, non-traditional business functions already being performed by private enterprise.

**RECOGNIZING PARTICIPANTS OF
"VOICES AGAINST VIOLENCE: A
CONGRESSIONAL TEEN CONFERENCE"**

HON. MICHAEL F. DOYLE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 18, 1999

Mr. DOYLE. Mr. Speaker, I rise today to recognize three wonderful teenagers from my Congressional District. Miss Ashley Cole, a junior at Woodland Hills High School; Mr. Aniruddha Chatterjee, a senior at Fox Chapel High School and Mr. Jonathan Hobaugh, a senior at Elizabeth Forward High School will be representing Pennsylvania's 18th Congressional District in "Voices Against Violence: A Congressional Teen Conference" which began here in Washington this morning.

This conference, which has brought together some 350 students from across the country, will enable young people from all walks of life to discuss their experiences and ideas for the causes and prevention of youth violence. The young people involved in the conference will participate in workshops covering a variety of issues including: violence in the media, hate crime prevention strategies and peer mediation training.

Ashley, Aniruddha and Jonathan will participate in drafting a House Resolution, which will be presented for immediate consideration, stating the actions this Congress can take to help prevent youth violence.

Prevention of violence by and against our Nation's youth is a top priority. I am honored to have three such fine young people work with us helping to find the solutions to this problem.

PERSONAL EXPLANATION

HON. NEIL ABERCROMBIE

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Monday, October 18, 1999

Mr. ABERCROMBIE. Mr. Speaker, I would like the RECORD to show that I would have liked to have been a cosponsor of H.R. 354, the Collections of Information Anti-Piracy Act, if the list of cosponsors was not closed. I strongly support the passage of H.R. 354.

TRIBUTE TO ORANGE COUNTY WORKS

HON. CHRISTOPHER COX

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 18, 1999

Mr. COX. Mr. Speaker, I rise today to commend Orange County Works, an outstanding program in Orange County, CA that provides vital assistance to foster care children. For over 9 years, Orange County Works job readiness workshops have given foster children the opportunity to learn from successful, high-profile business leaders, ensuring youths leaving the foster care system at age 18 will design career paths for themselves to self-sufficiency and success. Orange County Works will provide job readiness training to 400 youths in 1999 alone.

Recently, Orange County Works was honored by being named as a partner in the BridgeGate 20 Initiative. This Initiative, sponsored by BridgeGate LLC, the executive recruitment firm, recognizes leaders in the Southern California information technology business community who have demonstrated a commitment to building employee knowledge in order to improve company performance. The BridgeGate 20 Initiative will assist Orange County Works to create employment opportunities for still more foster care children.

Orange County Works President and Founder, Don Mac Allister, once a foster child himself, was motivated to create a program that makes a real difference in helping foster children stay off the streets. He demands success from each foster child that is part of his program. Don Mac Allister's passion and determination to improve the foster care system

in Orange County inspires community leaders to get involved.

Orange County Works is a true star in the Orange County community service world. It has impacted a wide range of people and its continued growth will ensure that in the future it will make dramatic changes in the lives of children now leaving the county's foster care system. I'm proud of the accomplishments of Orange County Works, and look forward to its continued success as more people discover the wonderful results from this fine program.

HONORING THE NEW HAVEN HEBREW FREE BURIAL & BENEVOLENT ASSOCIATION ON ITS 100TH ANNIVERSARY

HON. ROSA L. DeLAURO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, October 18, 1999

Mr. DeLAURO. Mr. Speaker, it is an honor for me to rise today to recognize the New Haven Free Burial & Benevolent Association which is celebrating its one hundredth anniversary this Sunday, October 17, 1999. For the past century, this organization has been a source of support and comfort for the Jewish community, especially in times of distress.

The New Haven Hebrew Free Burial & Benevolent Association was founded and continues its mission based on an old Jewish custom—*tzedakah*—that which is right. For centuries, Jews have held a commitment to protect and provide for their communities. The New Haven Hebrew Free Burial & Benevolent Association, once two separate entities, joined forces to provide interest-free loans and burial services for members of the Jewish community in financial need.

Generations of Jewish community members in New Haven have benefitted from the Association's economic and social support. The organization works to further the concept of *Gemilut Chessed*, aiding worthy persons in becoming self-supporting, self-respecting members of the community, through the provision of interest-free loans. Members are able to receive small loans, without question, which are repaid on a weekly payment schedule. This safety net enables recipients to get back on their feet, and alleviates some of the pressure caused by an unexpected financial crisis. It truly demonstrates the community's commitment to supporting its own in times of need.

Throughout time, the Jewish community has shown honor to the dead by preparing the body for burial and performing *tahara*, the ritual washing. This is one of the greatest *mitzot*—good deeds—in the Torah. According to Jewish Law and Custom, the complete washing and dressing of the body is necessary in order for the soul to rest. Because the natural decomposition of the body is of the utmost important in Jewish Law, the body must be placed in the ground in a strictly Judaic cemetery. The New Haven Hebrew Free Burial & Benevolent Association provides funerals and burial plots for those who could not otherwise afford the cost of a Judaic burial. In addition, the organization owns and operates a cemetery. The members and Board of Directors devote their efforts to its maintenance. It is their goal that no person should be denied a Jewish burial because of financial need.

For one hundred years this local organization has met weekly and worked diligently to raise money to provide their community these interest free loans and burial services. Today, it is indeed my honor to recognize the tremendous contributions of the New Haven Hebrew Free Burial & Benevolent Association to the Jewish community—preserving and protecting the dignity and character of Judaic custom. I would like to express my sincere thanks and heart-felt congratulations to all the members on this momentous occasion.

TRIBUTE TO CHINESE AMERICANS WHO SERVED IN WORLD WAR II

HON. DAVID WU

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, October 18, 1999

Mr. WU. Mr. Speaker, I rise today to pay tribute to brave Chinese Americans who honorably served in the U.S. Armed Forces during World War II. As many of these men and women gather here in Washington, DC on October 26, 1999, I would like to express my sincere gratitude and admiration for their years of service to the United States.

Like all other Americans, Chinese Americans answered their nation's call during the Second World War and bravely served to preserve the American way of life and to advance democratic ideals around the world. Of the six million Americans who were drafted or enlisted to serve in the Second World War, over 20,000 Chinese Americans served in the Army, Navy, Air Force, the Marines, and the Coast Guard. These brave men and women served with honor in the European, Pacific, and the China-Burma-India Theatres of Operation.

While most of these men and women are descendants of earlier Chinese immigrants, some were also first generation immigrants. These servicemen and women brought valuable skills and served the United States in a number of different capacities, as fighter pilots, intelligence operatives, infantrymen, nurses, and others.

Once again, I commend all those brave Chinese Americans who served our Nation with pride, honor, and distinction. America will be forever grateful for their services to the Nation.

THE LEGACY OF PRESIDENT LYNDON B. JOHNSON AND THE GREAT SOCIETY

HON. GENE GREEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, October 18, 1999

Mr. GREEN of Texas. Mr. Speaker, as we move even closer to the end of this century, I rise to pay tribute to President Lyndon B. Johnson. Earlier this year, I included in the CONGRESSIONAL RECORD, an article printed in the Houston Chronicle by Marianne Means which details why President Johnson will be considered as one of our nation's greatest Presidents.

Today, I would like to include an article from the October 1999 issue of the Washington Monthly by Joseph A. Califano, Jr. At the end

of this important article, Mr. Califano states: “* * * it is time to recognize—as historians are beginning to do—the reality of the remarkable and enduring achievements of the Great Society programs. Without such programs as Head Start, higher education loans and scholarships, Medicare, Medicaid, clean air and water, civil rights, life would be nastier, more brutish, and shorter for millions of Americans.”

Mr. Speaker, I would like to conclude my remarks by including this important article in its entirety:

WHAT WAS REALLY GREAT ABOUT THE GREAT SOCIETY: THE TRUTH BEHIND THE CONSERVATIVE MYTHS

(By Joseph Califano)

If there is a prize for the political scam of the 20th century, it should go to the conservatives from propagating as conventional wisdom that the Great Society programs of the 1960's were a misguided and failed social experiment that wasted taxpayers' money.

Nothing could be further from the truth. In fact, from 1963 when Lyndon Johnson took office until 1970 as the impact of his Great Society programs were felt, the portion of Americans living below the poverty line dropped from 22.2 percent to 12.6 percent, the most dramatic decline over such a brief period in this century. Since then, the poverty rate has hovered at about the 13 percent level and sits at 13.3 percent today, still a disgraceful level in the context of the greatest economic boom in our history. But if the Great Society had not achieved that dramatic reduction in poverty, and the nation had not maintained it, 24 million more Americans would today be living below the poverty level.

This reduction in poverty did not just happen. It was the result of a focused, tenacious effort to revolutionize the role of the federal government with a series of interventions that enriched the lives of millions of Americans. In those tumultuous Great Society years, the President submitted, and Congress enacted, more than 100 major proposals in each of the 89th and 90th Congresses. In that era of do-it-now optimism, government was neither a bad man to be tarred and feathered nor a bag man to collect campaign contributions, but an instrument to help the most vulnerable in our society.

What has the verdict been? Did the programs we put into place in the 1960s vindicate our belief in the responsibility and capacity of the national government to achieve such ambitious goals—or do they stand as proof of the government's inability to effect dramatic change that helps our people?

A FAIR START

The Great Society saw government as providing a hand up, not a handout. The cornerstone was a thriving economy (which the 1964 tax cut sparked); in such circumstances, most Americans would be able to enjoy the material blessings of society. Others would need the kind of help most of us got from our parents—health care, education and training, and housing, as well as a nondiscriminatory shot at employment—to share in our nation's wealth.

Education and health were central to opening up the promise of American life to all. With the 1965 Elementary and Secondary Education Act, the Great Society for the first time committed the federal government to helping local school districts. Its higher education legislation, with scholarships, grants, and work-study programs, opened college to any American with the necessary brains and ambition, however thin daddy's wallet or empty mommy's purse. Bilingual education, which today serves one million individuals, was designed to teach Hispanic