both entities have the same group of shareholders, there is no friction over who should realize the benefit of profits.

Second, the shifting of income between the two entities can have a significant impact on the tax liability attributable to profits. There are a number of ways this can be accomplished whether through rent payments, or shifting other overhead expenses.

Third, the structure of paired-share REITs enables these entities to avoid the double taxation of income from real estate, a benefit not realized by non-paired-share REIT competitors in certain markets. Again, tax liabilities are minimized and profits are significantly increased for shareholders.

This unique business structure has made them particularly attractive to investors, thereby giving them more advantageous access to capital.

Rather than making movements to ''unwind'' or adjust their structure in anticipation of having to comply with standard REIT gross income tests, since 1995, a majority of the grandfathered entities have expanded aggressively.

Again, while today's paired-share REITs argue they have no real advantage over the traditionally structured corporations against whom they compete, their behavior indicates otherwise. Not only have some of the grandfathered REITS publicly discussed their advantage in an effort to attract investors, they have also stated in the past that they originally purchased the paired-share REIT, not for the line of business that it was participating in, but because they wanted the paired-share structure which provides unique, advantageous opportunities in certain markets.***HD***III. THE REAL ESTATE INVESTMENT TRUST EQUITY ACT

Mr. Speaker, because the REIT market continues to expand aggressively, Congress must take action to ensure that the grandfathered REITS are not enjoying tax based advantages, to the detriment of other businesses competing within the same industries. The legislation I introduce today levels the playing field by further clarifying the intent of Congress expressed in the Deficit Reduction Act of 1984. My legislation simply states that paired-share REITs must comply with the standard gross income texts applicable to all REITs, contained in section 856 of the Internal Revenue Code. Federal tax policy must be consistent so that it does not favor one competitor over another within industries. This important legislation ensures equitable tax policy so that one group of investors does not have a significant benefit over their competitors.

COMMENTS ON WORKFORCE DEVELOPMENT BY EDWARD RENDELL, MAYOR OF PHILADELPHIA

HON. CHAKA FATTAH

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 24, 1998

Mr. FATTAH. Mr. Speaker, at a Town Meeting I convened in Philadelphia on March 10, the Mayor, Edward Rendell made the following remarks which I commend to my colleagues.

Mayor Rendell: Good morning. Congressman. Good morning, members of the Panel. Let me just start out by saying that there is no issue as important to the future of the City as workforce development. We are a City that has currently 66,000 families on AFDC. We are a City that will face an enormously difficult problem because as those families begin to phase off of welfare, it will be required by the Welfare Reform Act of 1996 to have jobs or lose any support whatsoever beginning in March of '99 and going through the year 2000.

We will find that with what is essentially a labor surplus market, we will not be able to accommodate, in my judgment, somewhere between 35 and 40,000 of those families. So by the year 2000, we will have in Philadelphia, a situation that hasn't occurred, in my judgment, since the Great Depression. It will not just be in Philadelphia. It will be Detroit. It will be in Newark, Baltimore, even cities like Seattle that are considered to be cities that are economically viable and not labor surplus markets.

The U.S. Conference of Mayors did a press conference and a report based on a survey in 17 cities and each city reported, in differing degrees, the same problem that I'm going to address. And it is a shocking problem that nobody is paying any attention to. I don't say nobody because you are all here, but very few people are paying any attention to it in Washington, D.C. When I had the press conference, myself and Mayor Archer had this press conference on how we viewed welfare reform and where it was going. Only CNN showed up.

About a month and-a-half later, I was in Washington at the U.S. Conference of Mayors, and myself and four other mayors were chosen to speak after our visit to the White House, and I noted that the CBA Network had 33 camera crews in Washington that week all covering various aspects of the Monica Lewinsky problem. To me, one of the greatest problems we have as a nation is that we can't get our news media to concentrate on serious issues that affect the bread and butter and really not only the quality of life but the very lives and survival of people themselves.

Now, let me tell you how I get to the 35 to 40,000 range. We believe the normal evident flow for the private sector, and the normal entry an coming off welfare, will cause 10,000 of that 66,000 to come off the rolls before the year 2000 is done.

Additionally, as you know, Congressman, myself, Mayor Archer, and Mayor Rice of Seattle were an integral part of persuading both the Administration and the Congress to appropriate additional dollars for a jobs bill for welfare recipients. As you will recall, you appropriated $3.1 billion to be administered over a two-year period. And that was certainly positive news, but one of the things that I want to recommend to you again is that you go back an tell your colleagues that that is not nearly enough money to do this job correctly, and that if we really care about welfare reform and putting former recipients of welfare on the work rolls, that we have to spend more than $3 billion.

I would reference in 1996, the Congressional Budget Office did a study which said that the Welfare Reform Act of 1996 was $12 billion short in the necessary funds to adequately transition people from welfare to work. Unfortunately, no one listened at that time. The President said he would try to cure those defects afterwards and in part, he did with his $3.1 billion jobs bill, but my experience leads me to believe that the $12 billion estimate made by the CBO in the summer of 1996 is probably 50 percent less than is needed.

I think if we are really serious about welfare reform, if we were really serious about ending welfare as we know it, we have to spend money. If you look at the individual states that have had the most success in workforce development and transitioning people from welfare to work and doing all the things that are necessary components of that, training, job skills, literacy in many cases, adequate child care, transportation, addressing all of the needs, those states spent actually more money in the first several years of their reform effort than they did in their traditional welfare systems. They spent the money up front so that down the road, they would spend less money because people would be successfully transitioned from welfare to work.

So I think we will find that the money that's been appropriated by Congress at the President's request is far too little. For example, in the next month, we will release our plans for using that federal money. That federal money, with the state match, and the state did in fact give us the necessary match, that will make somewhere between $51 and $55 million available for the next two years in Philadelphia. We are going to release our plans on how we are going to spend that money but the bottom line is that if we are successful, if we reach our goals, that will give 15,000 people the type of employment necessary, either full-term employment, 40 hours a week plus, or the 20-hour a week employment that's necessary to keep them receiving benefits at the same time.

So if you take our 15, the 10 that will come from the normal evident flow, we're down somewhere in the high 30's, 35, 38 thousand families, heads of households with children, will not find jobs in Philadelphia. And I don't know what is going to happen to those individuals. You have to realize that that's not a surprising outcome because we are truly a labor surplus area.

As you know, Congressman, Philadelphia was losing jobs at a debilitating rate. For the last nine years, we averaged a loss of 10,000 jobs a year from Philadelphia. Over a course of 11 years, we lost over 100,000 jobs from our job base. It is only in the last year and three-quarters we've now had seven-quarters straight of job gain, but those job gains are modest probably cumulatively less than 4,000, less than 4,000. While it is true that there has been some job growth in our suburban corridors, there are maybe 15 job growth centers that we've identified in the suburbs. They've added another 20,000 jobs into the mix. So we've created 25,000 new jobs.

The problem is that in addition to the 38,000 families that are going to be unaccounted for that I mentioned, we have 45,000 displaced workers on the unemployment rolls here in Philadelphia. Those are the workers from the Navy yard. Those are the workers from Breyers. Those are the workers from the Meridian/CoreStates merger, soon to be the CoreStates/First Union merger. Those are workers with job skills and job experience. So our 38,000, or to be honest, our 66,000 are competing against those 45,000 who are better skilled, better trained, better experienced.

Additionally, there are some 40,000, single males that are out there looking for jobs as a result of state changes in welfare. On top of that, each and every year, we have a new class of high school graduates that come into the job place. And the numbers don't add up. They don't add up in Philadelphia. They don't add up in Detroit. They don't add up in Atlanta. And they don't even add up in Seattle because when you put all those people into the mix looking for jobs, almost all of them were better educated, better trained, and have more work experience than the AFDC heads of households. You can see the problem we have created.

I heard a little bit of your earlier panel and I know that it is easy in Washington to say

that welfare reform is a success, that in the 13 or 14 months since welfare reform has been the law, we've knocked 15 percent of the people off the rolls. Well, of course as we know, a good hunk of that 15 percent are people who were smoked out who really didn't belong on the welfare rolls. Then my guess is the other half of that 15 percent were the cream of the crop, were people that were on the welfare rolls but had recent job experience who had some skills, who were totally and functionally literate.

You go deep within the mix of our 66,000 heads of households here in Philadelphia and you will find people shockingly, and it's the reason why we all agreed that there had to be change, but shockingly who have never worked in their life, who don't have one day's worth of work experience. You will find people, when you go deep into the rolls, who are functionally illiterate. As we all know, the necessary job skills in the moderate economy simply won't accommodate those type of people.

It used to be, not very long ago, ten years ago, you could be a cashier in most retail stores if you could learn to punch one button on the cash register and make change, but now, go into any retail store, small, or large, and you virtually have to run a mini computer to be a retail clerk, to be a cashier.

The necessary job skills are changing so quickly that we are kidding ourselves to think that we can change a system that has been in existence for decades and that simply doesn't work to fit the needs of Welfare-to-Work. For example, let's take child care. We basically have a child care system that is 8:30 to 5:30 because that's been the needs of the working parents, 8:30 to 5:30. But if you look at the jobs wanted in the entry level or the type of jobs our welfare recipients can hold, many of them are for weekend and night work. And there's virtually no child care available in the evenings or weekends in Philadelphia.

Now, let's talk for a second about these suburban growth centers. There are 15 of them and only two are near public transportation, traditional public transportation where someone from Philadelphia can take the subway down to Suburban Station and get on a commuter train and go out and wind up close enough that they can walk to the job centers. Thirteen of them are far enough away that you simply can't get there from here if you don't have a car. And of course, almost none of our current AFDC welfare recipients have vehicles. So not only are we going to spend a chunk of that $51 million creating van pools and things like that to get our people to suburban job centers, but I heard you, and I know this isn't the main thrust of this hearing, but to not re-enact ISTEA without significant funds in there for Welfare-to-Work transportation programs.

As you know, Senator Specter and Senator Santorum have combined to put an amendment to the ISTEA reorganization bill in the Senate upping those dollars from $100 million that the Administration has put in their budget, to $250 million, and I would urge that is an absolutely essential step. If we're serious about what we're trying to do there, and in all due respect, this is not a reflection on Congressman Fattah or any of the Congressmen who are represented here, but if we're serious about trying to get people from welfare to work, we can't do it cheap. We have to spend money for transportation. We have to spend money for child care. We have to spend money for job training. And most of all, we have to spend money to help create jobs whether they be transitional jobs in the public sector whether they'll be subsidizing job growth in the private sector. Whatever it is, we have to touch every element of that, and we better do it fast.

In sum, if we do all of our jobs well, we're going to fail to be able to place well over 50 percent of our current caseload of welfare recipients and that is a pattern that you are going to find is going to happen all over the country. It is a freight train coming down the tracks going to hit us right smack in the forehead.

I would make two long-term recommendations, and I make them with the full knowledge that these may be difficult for you, Congressman, or the Congressmen represented here, may be difficult for us to get enacted, but number one, I would urge legislation to extend the deadline. I think the two-year deadline is just going to prove to be unworkable. We're not going to be ready to have job opportunities, child care, transportation to meet the needs of most of those AFDC families. So I would urge a year or two or three-year extension in the cutoff.

TRIBUTE TO THE NASHUA LIONS CLUB

HON. CHARLES F. BASS

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 24, 1998

Mr. BASS. Mr. Speaker, I rise to pay tribute to the Nashua Lions Club on their 75th anniversary.

Eighty-one years ago, insurance executive Melvin Jones and his fellow Chicago businessmen formed the Lions International. The group was created to focus on humanitarian acts of service.

Several years later, after Hellen Keller challenged the Lions to become her ''Knights of the Blind,'' William Hillman, Jr., and former Mayor Alvin Lucier established the Nashua Lions Club. Since being chartered in 1923, the Nashua Lions have not only heeded Hellen Keller's call, but have lived up to their motto ''We Serve'' by making Nashua a better community and improving the lives of those who live there.

After 75 years of hard work and selfless devotion, the Nashua Lions Club have raised and returned over $750,000 to their community. But the true measure of their impact on Nashua is not in the dollars they have raised, but in the lives they have touched.

Most notably, the Nashua Lions have dedicated substantial time and resources to building projects designed to assist handicapped individuals. Under the leadership of former Mayor Mario J. Vagge, the Nashua Lions built the ''Friendship Club'' for the handicapped, and under the direction of past President Rich Nadeau, they constructed ''Melanie's Room'' for a handicapped young girl.

Responding to Hellen Keller's challenge 77 years ago, the Nashua Lions have also worked closely with the Nashua school nurses to provide free eye exams and eye glasses to needy area students. They have spent over $30,000 in the last 25 years to buy new eye screening machines for Nashua schools.

Aside from their numerous community and charity efforts, the Nashua Lions have also provided leadership to the entire Lions International organization. During their 75-year history, the Nashua Lions proudly have produced two District 44-H Governors, Joseph J. Bielawski from 1983 to 1984, and Edward Lecius this year for their diamond jubilee.

Mr. Speaker, the Nashua Lions exemplify America's charitable spirit. Their leadership, compassion, and hard work have helped make the Gate City a wonderful place to live. I rise to express my thanks and congratulations for 75 years of caring and devoted service.

THE MANDATES INFORMATION ACT OF 1998

HON. GARY A. CONDIT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 24, 1998

Mr. CONDIT. Mr. Speaker, I rise today to introduce the Mandates Information Act of 1998. This bill is similar to H.R. 1010, the Mandates Information Act of 1997, which I introduced on March 11, 1997. The bill is introduced as a follow up to the success we have had with the Unfunded Mandate Reform Act.

As you are aware, the Unfunded Mandate Relief Act required the Congressional Budget Office to estimate the cost of unfunded mandates a bill would place on both local governments and the private sector. These cost estimates are required to be included in the committee's report which accompanies a bill reported to the House.

The law also established a point of order procedure for bills which contained a mandate on local governments exceeding $50 million. The Mandates Information Act of 1998 will establish a similar point or order procedure for bills containing a unfunded mandate on the private sector in excess of $100 million.

The changes reflected in the Mandates Information Act of 1998 have been made at the behest of the Rules Committee Chairman and Vice Chairman with the commitment to move this important piece of legislation forward. I look forward to participating in a hearing on these changes later this week followed by a full and open debate on the bill before the full House in the near future.

DE COLORES MEXICAN FOLK DANCE COMPANY

HON. ESTEBAN EDWARD TORRES

OF CALIFORIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 24, 1998

Mr. TORRES. Mr. Speaker, earlier this month I was witness to a most dazzling and energetic dance ensemble at their inaugural performance at the Kennedy Center for the Performing Arts. This Washington, D.C. based dance company has received broad acclaim at major performances including the Presidential Inaugural's ''American Journey'' at the Smithsonian, and a near sellout concert performance commemorating Mexico's ''day of the dead'' at the Gunston Community Arts Center Theater.

De Colores Mexican Folk Dance Company is unique in the area for its commitment to preserving and presenting the authentic, rich and varied interpretations of Mexican dance, music, and costumes. Their vision is to establish an Instituto de Danza for children and adults in the nation's capital to teach and train a future generation of artists. Performances are intended to foster greater understanding about Mexican art, history and culture. Members receive rigorous training, tutoring and