EXTENSIONS OF REMARKS

INTRODUCTION OF THE NEW MARKETS TAX CREDIT ACT OF 1999

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. RANGEL. Mr. Speaker, today along with approximately 20 other Members, I am introducing legislation entitled the ''New Markets Tax Credit Act of 1999.'' The legislation is designed to spur $6 billion of private sector equity investments in businesses located in low- and moderate-income rural and urban communities.

We should all be pleased with the economic growth that this country is experiencing. However, our current economic boom is not being enjoyed by all areas of the country. Many urban and rural low-income communities continue to have severe economic problems. Businesses in those areas often do not have access to the capital they need to grow and provide job opportunities for the residents of those areas. The residents of those areas lack access to basic businesses, such as grocery stores and other retail facilities, that all the rest of us take for granted.

Unfortunately, business investment capital tends to flow to those areas of our country that already are experiencing rapid economic growth. We need to develop policies to direct some of that business capital to low-income communities. I believe that targeted tax credits can play an important role in this area by enhancing the economic return to the investor. The low-income housing tax credit is a very good example of how targeted tax credits can direct capital to needed investments.

I am very pleased that the President's budget contains several proposals to promote efforts to attract business capital to low-income areas. The bill that we are introducing today is the tax portion of the President's proposal. He also has made other proposals designed to promote growth in emerging markets in this country, just as this Nation, through entities like the Overseas Private Investment Corporation, helps to promote growth in emerging markets overseas.

The President's budget proposals this year are a continuation of the efforts of this administration in community development. I am very pleased that we have been able to enact several important community development tax initiatives with the President's support. The Empowerment Zone and Enterprise Community tax incentives and the brownfields tax incentives are important tools in assisting community development. I believe that the bill we are introducing today is another important tool needed to expand economic opportunity to all areas of this country. I look forward to working with the President and Members of this House and the Senate in enacting this important initiative.

Following is a brief description of the bill:

DESCRIPTION OF THE NEW MARKETS TAX CREDIT PROPOSAL

The bill provides an annual nonrefundable credit to taxpayers who make qualified investments in selected community development entities. The amount of the annual credit is 6 percent of the amount of the investment and it is allowed for the taxable year in which the investment is made and the succeeding four taxable years. The credit is allowed to the taxpayer who made the original investment and to subsequent purchasers.

An investment in a community development entity would be eligible for the credit only if the Secretary of the Treasury certifies that the entity is a qualified community development entity and only if the entity uses the money it receives to make investments in active businesses in low-income communities. Low-income communities are communities with poverty rates of at least 20 percent or with median family income which does not exceed 80 percent of the statewide median family income (or in the case of urban areas, 80 percent of the greater of the metropolitan area median income or statewide median family income).

The Secretary of the Treasury would certify entities as being qualified community development entities if their primary mission is serving or providing investment capital to low-income communities and they maintain accountability to residents of the communities in which they make their investments.

The amount of investments eligible for the credit is limited to $1.2 billion for each of the years 2000 through 2004. The Secretary would allocate that limitation among the qualified community development entities.

ON THE 75TH ANNIVERSARY OF CLARENDON HILLS, ILLINOIS

HON. JUDY BIGGERT

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mrs. BIGGERT. Mr. Speaker, I rise today to pay tribute to the community of Clarendon Hills, Illinois, as it commemorates its 75th anniversary. Clarendon Hills has accomplished much in the past 75 years, creating a congenial community that exemplifies the finest traditions and values of the American people. I, for one, take great pride in the legacy of Clarendon Hills and wish to share some of its history with you today.

The legacy of Clarendon Hills extends far beyond its 75-year history, and as all those who live in close-knit communities can appreciate, the strongest roots always run deepest. This town of nearly 7,000 originated from the far-sighted endeavors of ambitious men and women as early as the 1850's, seventy years before its incorporation as a village. Clarendon Hills emerged in progressive times, and the echoes of those times resonate today within the community.

Just as every New England town is centered around a church, every midwestern town is born of the railroad. As the railroad moved west of Chicago, men and women established Clarendon Hills as their home. They were people on the move, people looking to move westward, to create, and to progress.

Clarendon Hills was not simply ''settled.'' It was nurtured and molded into the town we know today, one of the towns I am honored to represent in Congress as a Representative from the 13th District of Illinois. The earliest inhabitants did not wish merely to live on the land we now know as Clarendon Hills. They made the land their own not by tilling fields and cutting trees—though farming and lumber were two of Clarendon Hills' industries. Instead, this town's earliest residents fostered the sense of community we enjoy today by sowing fields and planting trees. Henry Middaugh, who arrived in 1854, did both. As streets were designed to wind with the controus of the land, Middaugh planted 11 miles of trees, which now support children's swings, shade our streets, and grace our homes.

Middaugh was also unintentionally responsible for the origin of Clarendon Hills Daisy Days. He ordered fine grass seed for his field and got daisies instead. Middaugh no doubt initially was disappointed, but, true to the spirit of those pioneers, he turned adversity into a blessing.

Clarendon Hills is a community that turns peat bogs into parklands—such as Prospect Park. It is a community that retains its small, locally owned businesses—with mom and pop stores as well as chain stores. It is a community that celebrates its distinctiveness together year-round—be it during the festive Christmas Walk in December or the carefree Daisy Days in July.

Those who call Clarendon Hills ''home'' are at once blessed with the atmosphere and fellowship of a small town and the vitality, creativity, and enthusiasm of a major city. It is the home of young and older families who live together, work together, and volunteer together. The best example of its public spirit comes at the Christmastime Lumanaria, where over 20,000 candles are lit, producing such brilliance that they are clearly seen from airplanes flying overheaded. People drive from distant communities to see this show of lights. The celebration, however, is more than just a display of civic pride. The town raises over $200,000 for the Chicago Infant Welfare Society through the sale of the candles.

And through it all, the Burlington Northern Railroad rushes by daily; and Henry Middaugh's mansion still overlooks the meandering shaded streets. Its been said that Middaugh would stand on his cupola and look out over the town. Were he to do so today, there is no doubt in my mind that he would be proud of what he would see.

As we observe the 75th anniversary of Clarendon Hills, let us remember where it began. Let us remember the many challenges and successes that formed its history. And finally, let us remember the progress of Clarendon Hills—its collective history and its

shared future. This town's roots run deep, and I have no doubt that, like Middaugh's legendary daisies, Clarendon Hills will continue to grow and flourish for many years to come.

PERSONAL EXPLANATION

HON. TAMMY BALDWIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Ms. BALDWIN. Mr. Speaker, during the week of July 12th through July 16th, 1999, I was absent form the House due to an illness in my family that required me to be back in Wisconsin. Although I received the appropriated leave of absence from the House, I want my colleagues and the constituents of the 2nd District of Wisconsin to know how I intended to vote on the rollcall votes that I missed.

Roll Call Vote 277: I would have voted Aye.
Roll Call Vote 278: I would have voted Aye.
Roll Call Vote 279: I would have voted Aye.
Roll Call Vote 280: I did vote, and voted Aye.
Roll Call Vote 281: I would have voted Aye.
Roll Call Vote 282: I would have voted Aye.
Roll Call Vote 283: I would have voted No.
Roll Call Vote 284: I would have voted Aye.
Roll Call Vote 285: I would have voted Aye.
Roll Call Vote 286: I would have voted Aye.
Roll Call Vote 287: I would have voted No.
Roll Call Vote 288: I would have voted Aye.
Roll Call Vote 289: I would have voted No.
Roll Call Vote 290: I would have voted Aye.
Roll Call Vote 291: I would have voted Aye.
Roll Call Vote 292: I would have voted No.
Roll Call Vote 293: I would have voted Aye.
Roll Call Vote 294: I would have voted Aye.
Roll Call Vote 295: I would have voted Aye.
Roll Call Vote 296: I would have voted No.
Roll Call Vote 297: I would have voted Aye.
Roll Call Vote 298: I would have voted No.
Roll Call Vote 299: I would have voted No.
Roll Call Vote 300: I would have voted No.
Roll Call Vote 301: I would have voted Aye.
Roll Call Vote 302: I would have voted No.
Roll Call Vote 303: I would have voted Aye.
Roll Call Vote 304: I would have voted No.
Roll Call Vote 305: I would have voted No.
Roll Call Vote 306: I would have voted No.
Roll Call Vote 307: I would have voted No.

THE SOUTHERN CALIFORNIA FEDERAL JUDGESHIP ACT OF 1999

HON. RANDY "DUKE" CUNNINGHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. CUNNINGHAM. Mr. Speaker, I rise today to introduce the Southern California Federal Judgeship Act of 1999. I am proud to be joined in this effort by my colleagues from San Diego, Rep RON PACKARD, Rep. DUNCAN HUNTER, and Rep. BRIAN BILBRAY. This important legislation will authorize four additional Federal district court judges, three permanent and one temporary, to the Southern District of California.

A recent judicial survey ranks the Southern District of California as the busiest court in the nation by Number of criminal felony cases filed and total number of weighted cases per judge. In 1998, the Southern District had a weighted caseload of 1,006 cases per judge. By comparison, the Central District of California had a weighted filing of 424 cases per judge; the Eastern District of California had a weighted filing of 601 cases per judge; and the Northern District of California had a weighted filing of 464 cases per judge.

The Southern District consists of the San Diego and Imperial Counties of California, and shares a 200-mile border with Mexico. According to the U.S. Customs Service, as much as 33 percent of the illegal drugs and 50 percent of the cocaine smuggled into the United States from Mexico enters through this court district. Additionally, the court faces a substantial number of our Nation's immigration cases. Further multiplying the district's caseload is an agreement between the Immigration and Naturalization Service and the State of California that calls for criminal aliens to be transferred to prison facilities in this district upon nearing the end of their State sentences. All these factors combine to create a tremendous need for additional district court judges.

I hope that all my colleagues will join those of us from San Diego and help the people of Southern California by authorizing additional district court judges for the Southern District of California.

''NAFTA''

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. TRAFICANT. Mr. Speaker, I would like to have printed in the RECORD this statement by Nicholas Trebat from the Council on Hemispheric Affairs. I am inserting this statement in the CONGRESSIONAL RECORD as I believe that the views of this man will benefit my colleagues.

CORPORATE SOVEREIGNTY

(By Nicholas Trebat)

RESEARCH ASSOCIATE, COUNCIL ON HEMISPHERIC AFFAIRS

Its critics argue that the recent dispute between the Methanex corporation and the U.S. government is a good illustration of how NAFTA principally serves the interests of the business sector even at the cost of the general public. This may be evident in the manner in which the treaty's Canadian, Mexican and American negotiators narrowly determined what constituted a ''threat'' to national sovereignty when the pact was forged in 1994. Granting corporations the power to challenge national laws and regulations that conflicted with their profit-making strategies was apparently never considered as posing a serious challenge to federal autonomy. Affirming labor rights, conversely, seems to have been perceived as tantamount to abdicating nationhood.

Methanex, based in Vancouver, Canada, is the world's largest producer of methanol, a key ingredient in the fuel additive MTBE. The chemical allows gas to burn more efficiently, but it also raises a potential hazard to the nation's water supplies. On July 27, the Environmental Protection Agency (EPA) formally recommended that MTBE usage be heavily reduced.

Much to Methanex's chagrin, the EPA was simply reiterating findings previously reached by the state of California. Last spring, its regulators stunned the company by threatening to phase out the use of MTBE by 2002. Its scientists concluded that MTBE had contaminated municipal reservoirs throughout the state.

Methanex, however, may be able to overturn the ban on the product, or at least obtain substantial compensation (it is demanding nearly one billion dollars) if California is able to uphold its regulations. Chapter 11 of the NAFTA charter could conceivably be interpreted by friendly parties as giving the company the authority to do so, by stating that any ''expropriation'' of ''investments,'' foreign or domestic, is unlawful and subject to severe punitive measures. Private corporations in the past have proven how malleable this NAFTA provision can be. The most outrageous incident involved the U.S.-based Ethyl corporation, which intimidated Ottawa into repealing a ban on the gas additive MMT, a substance proscribed in virtually every other country in the world.

Immediately following the Ethyl case, Canada, under the threat of a lawsuit from the American chemical-treatment company S.D. Myers, revoked a ban on the export of PCB-contaminated waste. In Mexico, another U.S. company, Metalclad, sued authorities for introducing a zoning plan that would force the corporation to relocate its waste disposal facility, even though the facility's original location endangered local water resources.

One might assume from these cases that the three NAFTA signatories no longer cherish their sovereignty. But this, as the history of the North American Agreement on Labor (NAALC) reveals, is only half true.

That accord, signed in 1994 as a ''labor side'' codicil to NAFTA, is awash in its concern for ''national sovereignty.'' The agreement creates institutions that assess violations of labor rights in the NAFTA countries. Out of fear that these monitoring institutions would infringe upon domestic laws, they were given only ''review and consultation'' status, with no authority to adjudicate or even investigate individual cases.

It comes as no surprise, therefore, that of the 19 claims of labor violations brought forward for review under the NAALC, not one has resulted in a fine against the accused country. Contrast this with the five claims filed by corporations against NAFTA governments since 1996, which have resulted in one major fine and two revocations of federal health laws, with three of these cases still pending.

In assessing the implications of NAFTA's impact on ''national sovereignty,'' one has to recognize the duplicity with which the trade pact's advocates have invoked this phrase. In the trade agreement, devised almost in its entirety by economists and business leaders, it is clear that the term, at least in operational terms, largely has been given short shrift. But in the NAALC charter, a commitment to ''Affirming respect for each Party's constitution and law,'' is found.

This seeming doublespeak actually reveals with singular clarity that NAFTA was created primarily to initiate a gradual transfer of substantive authority from the public to the private sector. Therefore, NAFTA's and its labor side agreement's profound pro-corporate tilt should come as no surprise.

Perhaps it is for this reason that the Methanex case has provoked no thunderous ukases from the White House, nor press releases denouncing the *lese majesté* that private multinationals are raising against traditional federal and state autonomy. Let us