

NORTH HOOSICK FIRE DEPARTMENT CELEBRATES THEIR 50TH ANNIVERSARY

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1997

Mr. SOLOMON. Mr. Speaker, as in many primarily rural areas, volunteers provide most of the fire protection in the 22nd Congressional District of New York.

One of those, in fact one of the best volunteer fire companies, is celebrating its 50th anniversary this year. On May 1, 1947, a group of citizens gathered at the old North Hoosick Schoolhouse on the corner of routes 22 and 67 to form the department. For the next 50 years the North Hoosick Fire Department has provided the communities of North Hoosick, East Hoosick, and Walloomsac with outstanding fire protection. These volunteer companies, Mr. Speaker, save billions of dollars of property and countless lives every year in New York State alone. Volunteers are increasingly well-trained and professional. But more than that, the spirit of volunteerism that they exhibit is America at its best. Neighbor helping neighbor at the local level. That's what volunteer fire companies are all about.

Mr. Speaker, I know that all 435 congressional districts in this great country are blessed with their own volunteer firefighters who do equally fine work. Please join me in saluting the North Hoosick Fire Department, so ably led by Chief Alan J. Bornt, and all the other members, and wish them another 50 years of dedicated service to the community.

TRIBUTE TO JO-ANN MAXWELL

HON. ROBERT E. ANDREWS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1997

Mr. ANDREWS. Mr. Speaker, I rise today to honor an individual who has dedicated her life to education. I am speaking of Ms. Jo-Ann Maxwell, who will be retiring on May 22, 1997, after a lifetime of exemplary service.

Ms. Maxwell has been involved in education since her graduation from Indiana State Teachers College in 1958. She holds certificates in secondary speech and dramatics, secondary English, secondary education, as well as an elementary certificate. Currently, Ms. Maxwell is using her skills as a basic skills instructor for the upper elementary grades at Erial Elementary School. She has shown a deep commitment to passing along the skills that each student will need to be successful in the future. For her efforts, Ms. Maxwell received the prestigious honor of being selected as the 1986-87 Teacher of the Year.

All who have known Ms. Jo-Ann Maxwell, especially those who have benefited from knowledge, are honored by her service to their community. On behalf of all the citizens of New Jersey, I thank and congratulate Ms. Maxwell. We all will miss her remarkable talents.

SEEKING SOLUTIONS FOR SMALL BUSINESS CREDIT NEEDS

HON. JOHN J. LAFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1997

Mr. LaFALCE. Mr. Speaker, small businesses are again being hurt by a lack of loan guarantee assistance through the Small Business Administration. This, in turn, is directly attributable to a shortage of Federal moneys to adequately support the 7(a) loan guarantee program.

The President's budget request for fiscal year 1997 was for \$11 billion in guarantees for SBA's 7(a) loan program.

The House-passed appropriation bill only provided funding for \$7.2 billion.

The Senate-passed bill provided funding for \$8.4 billion.

And the enacted bill funded \$7.8 billion.

I want to emphasize that these are loan guarantees. The Federal Government only spends money to pay claims in the event of default in repayment of these loans which are made by private lending institutions. For the 1997 program, we appropriated \$158 million, along with usage of \$40 million which was unspent in 1996, in order to support almost \$8 billion in guarantees.

It is now clear that the \$8 billion in loan guarantees is not sufficient to meet demand, which is estimated at \$9.5 to \$10 billion.

In order to prevent the program from running out of money this summer and being forced to close, SBA took administrative action to limit the size of a loan which it would guarantee. Instead of the statutory maximum of \$750,000 in Federal exposure per borrower, a cap of \$375,000 was imposed effective May 5.

Unfortunately, the notice of SBA's decision to impose a cap, which is required by law, provided lenders with a window to rush through most of their pending bigger loans and caused what has been termed a "run on the bank."

As of yesterday, the amount of 7(a) loan guarantees available through the end of this fiscal year is less than \$1.65 billion. This meager amount must stretch over 4 months as compared to usage of \$6 billion in the first 8 months.

It appears certain at this point that even though the previously imposed loan cap will reduce demand, it will not have sufficient impact. Additional action must be taken.

At this point we cannot engage solely in an exercise in assessing blame and finger pointing.

If Congress had appropriated more money as the President requested, we would not be confronted with this problem today.

If SBA had reacted more quickly in acting to dampen demand and live within the budget enacted, less severe action would be necessary.

The most immediate need is to craft a solution to small business credit needs, on a short term basis to see us through the end of this year and into next, but also over a longer range.

There is a wealth of knowledge available to examine this problem and develop a solution. We should take full advantage of it.

Today, I have introduced a resolution calling upon the Administrator of SBA to appoint a

blue ribbon commission to quickly examine small business credit needs.

This examination should encompass the entire concept of Federal programs to assist small firms in obtaining loan capital.

Over the short term, the options are probably limited to some minor changes in existing standards, terms and conditions. There simply is not time to develop new programs. But priority must be placed on developing some reasonable short term solution.

For the long term, however, there is an opportunity to expand the options being considered.

The quality of small business guaranteed loans have been greatly improved in the past few years.

Substantial user fees are now imposed upon those who participate in these programs.

In fact, SBA's major plant and equipment program, the certified development company program—which is not the one involved in the shortage of funding—now operates without any subsidy from the Federal Government. It costs us nothing.

The subsidy rate for the 7(a) program has also substantially improved.

Now is perhaps the time to consider privatizing these programs. It may be that 7(a)'s costs can be further reduced.

It probably is not possible to completely eliminate Federal support all at once. It will probably take an evolution just as in past decades SBA lending evolved from direct loans to loan guarantees.

The evolution from Federal loan guarantees to privatization may involve a concept called a government sponsored enterprise or GSE. Simple described, a GSE is a privately owned entity which is not part of the Federal budget but which may receive financial assistance in the future from the Government if the need arises and the Government agrees to do so. GSE's have been used to assist housing. They have been used to assist students. They have been used to assist agriculture.

This may also be a useful model to help small business. Or perhaps a GSE should be used to help at least some small businesses which need a small amount of credit enhancement—that is, a small percentage of the loan needs to be guaranteed—as compared to other firms which need an 80- or 90-percent guarantee.

I advanced the privatization concept 20 years ago. I refined it over the years and specifically directed it toward small business in the late 1980's. It did not receive the necessary support. But small business loans were very different then than now, and we did not confront the budget constraints we now do.

A GSE is not a panacea. Establishment does involve some potential problems. It is, however, worthy of consideration as one of a variety of alternatives, and my resolution simply calls for its consideration.

PENSIONS TO FORMER NAZIS WHILE SURVIVORS GET NOTHING

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1997

Mr. ACKERMAN. Mr. Speaker, I wanted to take this opportunity to bring to the attention of

my colleagues a painful reminder of WWII and the Nazi Holocaust in Europe. Several months ago, it came to light that the German Government was paying military pensions to former Nazi Waffen S.S. soldiers living in the United States and elsewhere, while scores of Jewish survivors in Eastern Europe and even some in the United States have never received any compensation for the horrors that they endured. I have spoken out on this subject numerous times, but I wanted to commend my colleagues to an ad placed by the American Jewish Committee in the New York Times on May 7, 1997, which clearly outlines this horrible and tragically ironic state of affairs.

At the beginning of the ad, two pictures are displayed: One is of an elderly Jewish man who was a survivor of a Nazi ghetto in Eastern Europe, the other is of a man with arm raised in a Hitler salute, who was a soldier of the Waffen S.S. from Latvia. The headline asks: "Guess Which One Receives a War Victims Pension from the German Government?"

The text of the ad follows:

If you guessed the survivor, you're wrong, sad to say. While Holocaust survivors in other parts of the world are eligible to receive German pensions, Holocaust survivors in Eastern Europe and the former Soviet Union have never received a pension of any kind from Bonn. Inexplicably, the German government has simply drawn the line at providing such direct assistance to this group of survivors. Not so, however, for many of the survivors' former tormentors. Believe it or not, the German government provides generous monthly pensions to Nazi war veterans whose injuries or even mild, chronic ailments qualify them for "war victims pensions." In the U.S. alone, there are 3,377 pensions sent each month to veterans of the armies of the Third Reich or their dependents! After the fall of communism, many Waffen S.S. veterans in the Baltic states and elsewhere in Eastern Europe discovered they, too, were eligible and are now receiving such pensions from Germany, while their victims are not. Today, an estimated 15,000-20,000 Jewish survivors of ghettos and concentration camps live in Eastern Europe and the former Soviet Union. They are old, many are in poor health and financially destitute. Surely, they deserve some help and comfort in the last years of their lives. Join our call to the German government to correct this grievous wrong. Bring justice to the real victims of the Holocaust.

RECORD LOW UNEMPLOYMENT

HON. MICHAEL G. OXLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1997

Mr. OXLEY. Mr. Speaker, in April the national unemployment rate reached a 24-year low of 4.9 percent. Ohio's unemployment rate was 4.8 percent for April, according to Ohio Bureau of Employment Services statistics released last Friday. Unemployment fell in every one of the counties of Ohio's Fourth Congressional District. Clearly, the Ohio economy is very strong, with a robust labor market.

For the national unemployment rate to crack the 5 percent floor for the first time since the Nixon administration signals a fundamental change in the labor market. The accepted economic thinking has been that even a full-employment economy had a natural unem-

ployment rate of 5 percent or so. That is, that even during times of prosperity and growth you would have structural and short-term unemployment due to the normal function of the labor market, and that the figure was between 5 and 6 percent.

The parameters have changed, and it is the result of actions taken by the Republican Congress. Welfare reform probably had the largest single impact. As the States implement the legislation enacted by Congress, individuals are being weaned off welfare and into paying jobs. Over 1.3 million people left the welfare rolls in 1996, more than 650,000 of them in just the last 4 months of the year. When you reform social programs that discourage work, you are bound to get more wage earners.

Then there's immigration reform. With the tightening of restrictions on illegal immigration and the termination of benefits like unemployment insurance for illegal immigrants, jobs are moving out of the underground economy and are being filled by legal residents.

In addition, efforts made by Congress to deregulate businesses, promote competition, and cut government spending are all contributing to economic growth. The telecommunications and securities reform legislation passed during the 104th Congress are two prime examples where deregulation is eliminating redtape, expanding industries, and putting capital investment to more efficient use to create jobs.

Another factor contributing to the sustained economic expansion has been the increase in international trade. Fully half of U.S. economic growth during the past 5 years has been export growth. Free trade policymaking in Washington and a global perspective in Columbus have accrued to the advantage of the Buckeye State, where Governor Voinovich has worked to make Ohio one of the top exporting States in the Nation.

International competition benefits the U.S. economy in another important way, by working to keep prices down. We truly are part of a global economy, one result of which is that tight labor markets do not necessarily mean higher prices.

What we are experiencing now is record employment without accompanying inflationary pressures. With the exception of a few sectors requiring special skills in short supply, you have full employment without worker shortages. The old notion of what constitutes natural unemployment rates needs to be rethought. The Federal Reserve Board was correct not to raise interest rates yesterday, and it should not do so until such time as there is real evidence of inflationary pressure.

Finally, because the balanced budget agreement negotiated by GOP congressional leaders calls for tax cuts for families, capital gains tax relief, and reduced government spending, we can count on lower interest rates, continued job growth, and more money in the pockets of Americans—more of whom are working than at any time in history.

THE MEN OF ESSEX—AN EXTRAORDINARY GROUP

HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1997

Mr. PAYNE. Mr. Speaker, I would like to draw the attention of my colleagues to an

event that will take place this evening in Newark, NJ. It is the 39th Annual Essex Award ceremony of the Men of Essex. For 39 years this group of distinguished and dedicated gentlemen, the Men of Essex, has given time, expertise and resources to recognize and enhance the lives of students who have shown outstanding achievement and potential in academic and athletic activities. This evening, four of its founders—Winfred Gideon III, Hamilton V. Bowser, James Sherman, and J. Garfield Jackson, Sr., will be honored. All of these men are excellent role models and exemplify what it means to be of service to one's community.

In 1958 a group of men having a common interest in athletics and creating a better image for the youth of the County of Essex met to discuss the possibilities of forming an organization whose prime function would be that of providing the young athletes in the community with some incentive for achieving both athletic and academic distinction. Following several informal meetings under the leadership of Winfred Gideon, with whom I had the pleasure of working with at The Prudential some years ago, it was agreed that there was a need for such service and the Men of Essex was born.

Mr. Speaker, that was 40 years ago. Just a few weeks ago there was a summit in Philadelphia that focused on volunteer efforts and working with youth. I would like to commend and thank these men for having such foresight and remaining focused on such a laudable and practical mission.

WEST GLENS FALLS, NY, FIRE COMPANY NO. 1 CELEBRATES 50TH ANNIVERSARY

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1997

Mr. SOLOMON. Mr. Speaker, I have always been partial to the charm and character of small towns and small town people. That's why I travel home to my congressional district every weekend, to see the picturesque towns and scenery that marks the 22d district of New York. And my hometown of Queensbury and the Glens Falls community are certainly near and dear to my heart.

The traits which make me most fond of such communities is the undeniable camaraderie which exists among neighbors. Looking out for one another and the needs of the community make such places great places to live and raise a family. This concept of community service is exemplified by the devoted service of the West Glens Falls Fire Company No. 1. For 50 years now, this organization has provided critical services for the citizens on a volunteer basis. As a former volunteer fireman myself, I understand, and appreciate, the commitment required to perform such vital public duties.

It has become all too seldom that you see fellow citizens put themselves in harms way for the sake of another. While almost all things have changed over the years, thankfully for the residents of my home town, the members of West Glens Falls Fire Company No. 1 continue to selflessly perform their duty without remiss. I can't say enough about the countless lives and millions of dollars in property they