

provide needed educational assistance to displaced homemakers, single parents, and single pregnant women.

#### SMALL BUSINESS MICROLOAN PROGRAM IMPROVEMENT ACT

### HON. JOHN ELIAS BALDACCI

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

*Thursday, July 24, 1997*

Mr. BALDACCI. Mr. Speaker, in rural States such as Maine, small businesses are responsible for the large majority of economic growth and job creation. Approximately 99 percent of all businesses in Maine fall into the small business category, with a majority of those falling into the category of very small businesses, or microenterprises.

Unfortunately, it's often difficult, if not impossible, for such businesses to get financing through traditional means because it's not feasible for private lenders to make such small loans. Also, because many microborrowers are either startup or growth phase businesses, they are often unable to meet a lender's collateral or credit requirements. In response to this problem, Congress authorized the SBA, in 1992, to start a demonstration project to address the capital and technical assistance needs of microenterprises. The program targets underserved startup and existing small business owners who have the capacity to operate a successful small business, but may not be able to access credit.

While it has been a very successful and popular program, the authorization for this project ends on October 1. That is why I am introducing legislation today that will make the SBA's Microloan Demonstration Program permanent.

The microloan program is a partnership between the SBA and nonprofit intermediaries. The SBA provides funding to intermediaries, who in turn provide financing and technical assistance to very small businesses. They also furnish them with grant funding to provide microborrowers with technical assistance to ensure the business succeeds and the loans are repaid. The intermediaries provide microborrowers with small loans of up to \$25,000, as well as the technical assistance.

The program is successful, and a fine example of cooperation between the government and private sector in efforts to help promising entrepreneurs. It is also low-risk for the Federal Government. According to a 1996 report from the SBA, they have made 182 loans to intermediaries totaling \$68.9 million with no loss to the Federal Government.

Maine has a very strong entrepreneurial spirit. Our economy is dependent on very small businesses and microenterprises. My legislation will ensure that many of the underserved startup and existing small business owners who have the capacity to operate a successful small business will have the opportunity to do so.

#### THE 26TH ANNIVERSARY OF THE HARDIN COUNTY YOUTH THEATER

### HON. RON LEWIS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

*Thursday, July 24, 1997*

Mr. LEWIS of Kentucky. Mr. Speaker, I rise today to congratulate the Youth Theater of Hardin County, KY, on its 26th anniversary. The Youth Theater of Hardin County is now the oldest educating and performing community youth theater program in the Commonwealth of Kentucky. More than 1,275 students have participated in this program and over 3,000 students and adult volunteers have assisted in this endeavor. It has been an integral part in promoting and advancing theater among Kentucky's youth for over a quarter of a century. For that, it deserves special recognition.

The Youth Theater is composed of 7th through 12th grade students from Hardin County Schools, Elizabethtown's Independent Schools, and Fort Knox Community Schools. It is designed to educate students in the performing arts and to promote cultural growth and awareness with quality performances. In the process of putting together a production, students learn skills that are essential to a successful life. Skills such as team work, self-esteem, and the power of the human voice to stimulate and entertain audiences. In this regard, the Hardin County Youth Theater has been very successful.

The Youth Theater's impact on the arts community is being felt locally, nationally, and internationally. Several individuals and groups have won talent recognition at the local and State levels, as well as the Youth Talent International Competition. And the achievements don't stop after students leave.

Alumni from this distinguished Youth Theater are performing throughout the country and contributing to every aspect of the arts community. They are performing as equity and nonequity actors, singers, dancers, choreographers, technical directors, and technicians. Young, aspiring actors have left the Hardin County Youth Theater to perform on collegiate stages, regional stages, national stages, and even international stages. Several alumni have performed in off-broadway productions, and one has made an impact in Hollywood.

When students leave the Hardin County Youth Theater, they continue to give back to their communities in a variety of ways. Former students are working with regional and national entertainment parks as costume characters, live characters, singers, dancers, and technicians. One such student is now serving as an instructor to other aspiring performers with a multinational entertainment conglomerate. Another is the director of the Kentucky Governor's School for the Arts. The Youth Theater is, indeed, an integral part of our Nation's arts community.

Meanwhile, those students who do not choose to follow theatrical careers credit the Youth Theater with preparing them for the future. They credit their poise, responsibility, self-esteem, and their ability to work individually and with diverse groups directly to their participation in Youth Theater and its activities. These alumni have chosen a variety of different career fields. They are professionals,

businessowners, white and blue collar workers, and even farmers. Regardless of profession, they contribute vastly to society.

The Hardin County Youth Theater has been successful in many regards. It has contributed to the arts community at all levels. It has given students the skills needed to lead a successful life. And it has encouraged its students to give back to their communities and leave them better than they found them. I congratulate the Hardin County Youth Theater on its 26th anniversary. Hardin County is better because of it, and the Commonwealth of Kentucky is proud to claim it. I look forward to its continued success, and I'm sure it will strive to reach even higher heights in the future.

#### SUPPORT FOR A MEANINGFUL REDUCTIONS IN CAPITOL GAINS TAX RATES

### HON. JERRY MORAN

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

*Thursday, July 24, 1997*

Mr. MORAN of Kansas. Mr. Speaker, I rise today to enter into the RECORD a letter from one of my constituents, Alan E. States of Hays, KS, which was recently published in USA Today. Mr. States lays out precisely what is wrong with a Tax Code that discourages entrepreneurship and savings. He writes,

Twenty-five years ago, I purchased 80 acres of Kansas farmland for \$10,000. The money came from my savings while in Vietnam, which, along with my Chevy, constituted my entire net worth. I was just glad to be alive, home again and ready to live the American dream.

I used the 80 acres as a down payment on 400 additional acres and proceeded to build my own farm. I've been successful and now farm more than 4,000 acres. Much of it is rented.

Now I have another business opportunity. I considered selling the farmland to raise the investment money. I could sell the 80 acres for \$40,000. The federal capital gains tax would come to \$8,400.

The problem is that because of inflation since I purchased the land, my true basis on the land is \$37,000. So my real gain on the sale is only \$3,000. Therefore, the \$8,400 tax represents a 280% tax on my actual gain. Is this what has become of the American dream? This is the system the President proposes we keep.

The tax code makes no sense. Income and estate taxes for too long have tried to redistribute wealth. It hasn't worked. The code should have the sole purpose of raising revenue. If we are to tax income, it should be fair.

To be fair, it must do four things: Tax all income; tax it the same without regard to source; tax it only once; and tax it only if it is real and not the result of inflation.

What will I do under the current system? I certainly won't sell the land. I will borrow against it. I can borrow the land at 8.5%. I can deduct the interest as a business expense, reducing my rate to 5.2%. From that, I adjust for 3% inflation, and my effective rate of borrowing the money is only 2.2%. the tax code discourages savings and encourages debt.

Rather than the Treasury making \$1,200 on the sale of the asset, it now loses \$1,300 because of my interest expense. Do some people really say we can't have tax reform because it will cost the Treasury too much?

ALAN STATES,  
Hays, KS.

Mr. Speaker, the real tragedy is that stories such as this can be told by countless Americans struggling to build a better life for themselves and their children. To those who deride the Republican tax bill, I would challenge you to explain to Mr. States how a Tax Code that stifles investment, discourages savings, and destroys the American dream should not be reformed. I cannot give such an explanation. That is why I insist on meaningful reductions in capital gains tax rates.

#### INTRODUCTION OF THE TEACHING EXCELLENCE FOR ALL CHILDREN [TEACH] ACT OF 1997

#### HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday July 24, 1997

Mr. MILLER of California. Mr. Speaker, I rise today to offer the Teaching Excellence for All Children [TEACH] Act of 1997.

This legislation addresses a longstanding concern that many of our Nation's school children are being taught by teachers who are not qualified to teach in their subject areas. This is a disservice to students, to parents, to the teachers themselves, and to taxpayers.

The problem, documented in several studies, will only get worse as the student population continues to rise along with the demand for ever more new teachers.

Parents have a right to know whether their children are being instructed by qualified teachers. And taxpayers have a right to expect Congress to do all it can to ensure that Federal education dollars are being spent in a responsible manner. I believe this legislation addresses both of those important demands.

Under this legislation, States receiving Federal education funds would set clear standards for teacher quality. The bill also will ensure accountability for federally supported teacher education, provide financial rewards to teachers who choose to teach in high-need schools and who pursue advanced teaching credentials, and establish local community partnerships to help to schools to recruit and retain qualified teachers.

#### TWO MILLION TEACHERS NEEDED OVER NEXT 9 YEARS

The number of elementary and secondary school students is expected to increase each successive year between now and the year 2006, from the current level of 51.7 million to an all time high of 54.6 million.

The need for qualified teachers will increase accordingly. Between now and 2006, enrollment and teacher retirement together will create demand for an additional 2 million teachers.

The shortage right now of qualified teachers to fill this demand is a significant barrier to students receiving an appropriate education.

#### TOO MANY TEACHERS ARE NOT FULLY QUALIFIED TO TEACH IN THEIR SUBJECT AREAS

Last September, the National Commission on Teaching and America's Future found that one-quarter of classroom teachers were already not fully qualified to teach their subject areas. An even newer report—forthcoming from the Department of Education—indicates that 36 percent of teachers have neither a major nor minor in their main teaching field. Both reports show that the problem is even more serious in academic subjects such as

math and science and in schools with high numbers of low-income and minority children.

Research evidence suggests that teacher quality is probably the single most important factor influencing student achievement. Now is the time to redouble efforts to ensure that all teachers in our Nation's public schools are properly prepared and qualified and that they also receive the ongoing support and professional development they need to be effective educators.

#### A FAIR DEAL FOR TEACHERS

Teachers are among the hardest working people in our country and they certainly have one of the most important jobs in our country. The vast majority of teachers deserve our wholehearted admiration, respect, and gratitude.

Unfortunately, our public policies have not always reflected this attitude. As the Association for Supervision and Curriculum Development recently pointed out, "teacher education, which encompasses preservice preparation as well as ongoing professional development, has suffered a chronic lack of funding, resources, and status in the United States, particularly as compared to education in other professional fields."

In addition, the Teaching for America's Future report pointed out that: "Not only do U.S. teachers teach more hours per day but they also take more work home to complete at night, on the weekends and holidays." At the same time, the report goes on to say that "Other industrialized countries fund their schools equally and make sure there are qualified teachers for all of them by underwriting teacher preparation and salaries. However, teachers in the United States must go into substantial debt to become prepared for a field that in most States pays less than any other occupation requiring a college degree."

I think the public is willing to address these issues. Education tops the list of concerns in most public opinion polls. But at the same time, parents and taxpayers want greater accountability to ensure that any additional resources directed at improving teacher quality have a maximal impact on student achievement.

By coupling support for teachers with enhanced accountability, this bill is a win-win for all those involved: educators, parents, taxpayers, and, above all, our Nation's school children.

#### LET'S WORK TOGETHER

Last week, the President announced his intent to put the issue of teacher quality at the top of his educational agenda. With the issue of teacher qualifications receiving increased attention in Washington and across the Nation, I am more optimistic than ever that we can work together to achieve the goals set out in this legislation. I look forward to working with the President and my colleagues on this important issue.

#### TRIBUTE TO SUE NELSON

#### HON. FRANK RIGGS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 24, 1997

Mr. RIGGS. Mr. Speaker, I rise to congratulate Sue Nelson, a resident of my hometown of Windsor, CA. She was just recently se-

lected as the Windsor Chamber of Commerce's 1997 "Business Person of the Year." The chamber made a very fitting selection.

Sue is a businesswoman of 20 years and is currently the president of the Brelje & Race, Sonoma County's largest engineering company. In that capacity she has been a dynamic force in the chamber's activities, placing her and the company's support firmly behind virtually every chamber event over the last several years.

She worked on the Windsor Map, the new town brochure put together with volunteers from the chamber. She also worked on the Windsor Festival.

Her community work has not been limited to the beneficial work of the chamber: She is a member and past president of the Windsor Rotary Club, as well as a trustee of the Boys and Girls Club.

It is the good work and dedicated community activism of individuals like Sue Nelson that builds and strengthens the communities in which our families and children live. I am particularly pleased that my hometown chamber of commerce has chosen such a deserving recipient for their annual honors. I offer my warm congratulations to Sue Nelson for a continuing job well done.

#### DEPENDENCY AND INDEMNITY COMPENSATION RESTORATION ACT OF 1997

#### HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 24, 1997

Mr. SMITH of New Jersey. Mr. Speaker, on July 22, 1997 I introduced H.R. 2220, the Dependency and Indemnity Compensation Act of 1997, legislation that will begin to address an inherent unfairness under present law that affects the surviving widows of our Nation's veterans. As you know, many of these veterans gave their lives for our country, yet their surviving spouses are now being denied benefits that were promised to them.

In 1970, Congress enacted legislation that guaranteed widows of military veterans who died from service-connected disability that their dependency and indemnity compensation [DIC] benefits would be reinstated upon the termination of the widow's subsequent marriage(s) by death or divorce.

The apparent rationale behind this reinstatement policy was twofold: First, to encourage DIC widows to remarry, thereby removing them from the DIC rolls and saving the Federal Government money; and second, to bring Veterans' benefits statutes in line with other Federal survivor programs—e.g. Federal Civil Service employees, Social Security annuitants—which granted reinstatement rights in this instance.

However, in 1990, Congress passed the Omnibus Budget Reconciliation Act of 1990 which abruptly terminated DIC reinstatement rights for widows who lost these benefits upon remarriage. To make matters worse, the Department of Veterans Affairs never formally notified DIC widows of their loss of reinstatement rights, thereby relegating notice to be disseminated by word-of-mouth or by notices in publications of military and retiree organizations.