

believe that we can emulate and build on to allow distressed communities to reach their full potential.

Throughout America, organizations known as Community Development Venture Capital funds are making these kinds of equity investments in communities and are producing excellent results. CDVC funds make equity investments in small businesses for two purposes: to reap a financial return to the fund, and to generate a social benefit for the community through creation of well paying jobs. This "double bottom line" is what makes CDVC funds unique. There are around 40 CDVC funds currently operating throughout the country, in both rural and urban areas. These funds are demonstrating the success of socially conscious investment and entrepreneurial solutions to social and economic problems.

My own state of Minnesota is home to a good example of a seasoned, and successful CDVC fund: Northeast Ventures Corporation of Duluth. NEV serves a seven country rural area and focuses on creating good jobs in high value-added industries. NEV targets 50% of the jobs created through investments to women, and to low-income and structurally unemployed persons.

In 1990 a group of entrepreneurs approached Northeast Ventures about setting up a car wash equipment manufacturing facility in Tower, a town of 508 people, in one of the poorest parts of northeastern Minnesota. While NEV thought that the market opportunity was attractive, the company, called Powerain, had an incomplete business plan and lacked a Chief Operating Officer. NEV also felt that the business provided a good opportunity to create jobs and bring some economic vitality to an area that needed it badly.

Other assistance was needed before NEV could provide financing for the effort. Northeast worked closely with Powerain's founders to revise the business plan and identify a strong CEO candidate for the company. Northeast also invested \$200,000 in equity into the business.

NEV staff conducted the strategic planning sessions of Powerain and continue to be essential in developing the company's strategic plan. They assist in identifying the need for key personnel; recruit the necessary staff; and are integral in qualifying the short list of candidates. Over a multi-year period, NEV has talked daily with the Powerain CEO regarding subjects as diverse as sales, distributor relationships and the financial structure of loans. Over an eight year period, NEV has assisted Powerain in all subsequent rounds of financing totaling \$826,932.

Powerain had a record sales year in 1998 and is expecting another record year in 1999. The company currently employs 20 full-time people, and expects to increase that number significantly in the future. The company provides ongoing training to its staff and entry level positions begin at \$8 an

hour—with full benefits. Most employees earn well in excess of \$10 per hour.

The Community Development and Venture Capital Act of 1999 is designed to build on the successful CDVC model by promoting equity investment in economically distressed communities. The first title of this legislation would create the New Market Venture Capital Companies Program, a new program within SBA that will fund at least ten venture capital companies dedicated to new markets—low- and moderate-income communities. \$15 million in annual appropriations would support a \$100 million program level for SBA-guaranteed debentures, and \$30 million in matching technical assistance grants.

Title II of the bill basically consists of legislation I introduced last year, and again this year, entitled the Community Development Venture Capital Assistance Act. Last year, the Senate passed this legislation as part of a SBA technical amendments bill. This title is intended to build the capacity of the existing CDVC industry through technical assistance and SBA grants to colleges, universities, and other firms or organizations—public or private—to create and operate training programs, intern programs, a national conference, and academic research and study dealing with community development venture capital.

Title III would build on the BusinessLINC grant program which is a public-private partnership that the SBA and Department of Treasury launched last June. It encourages larger businesses to mentor smaller businesses, promoting the viability of small businesses located in disadvantaged areas.

I think this legislation speaks to the heart of reversing persistent poverty in America by promoting entrepreneurship, and encouraging responsible equity investment. The small business growth sparked by this legislation would in turn create jobs and wealth in those communities which have heretofore been overlooked. It is an absolutely essential addition to the SBA's current program offerings and I urge my colleagues to support it. •

HISPANIC HERITAGE MONTH

• Mr. MCCAIN. Mr. President, as Co-Chair of the Senate Republican Task Force on Hispanic Affairs, I am pleased to note Hispanic Heritage month which began on September 15. During the month, we will focus on the vibrant Hispanic community that has made tremendous contributions to our nation and to my state of Arizona for many generations.

Projected to soon be the country's largest minority, this colorful and proud community is incredibly rich in culture and diverse in backgrounds. All too often, the various groups that make up "Hispanics" are lumped together and some forget the dynamic differences between Mexicans and

Puerto Ricans, or Salvadorans and Chileans, for example. But when Hispanics come together—tied by social and cultural similarities—they form a powerful group to whom we must listen.

Much has been said lately about the Hispanics' burgeoning economic and political power. This group's contribution to the economy is significant. Their buying power has increased at an annual rate of 5.5 percent, far outdistancing inflation. This has resulted in an explosion of Hispanic advertising dollars. According to Hispanic Business Magazine, from 1997 to 1998, ad budgets targeting the Hispanic market jumped 21 percent to \$1.71 billion. And study after study indicate that Hispanic businesses are the fastest growing segment of the small business community.

Politically, Hispanics are becoming a great force. They are voting in ever-larger numbers, projected as high as 5.5 million in the 2000 elections, up from 4.2 million in 1992. Currently, however, only one in every 20 votes is cast by a Hispanic, even though one in nine Americans is Hispanic. Unfortunately, low voter turnout, because of political cynicism, is a trend that is not only affecting the Hispanic community.

It is important that the political voice of Hispanics is not drowned out by money from special interests. When I look down the list of soft money donors to both political parties, I see corporate giants; I see large labor unions; I see the Fortune 500. I don't see the name of my friend Victor Flores, who started a small bakery in the town of Guadalupe, Arizona, and labored hard for years to feed the community and support his family. I don't see Victor's name or, frankly, the majority of Americans who deserve the attention, access and priority representation that only a select few can afford under today's corrupt campaign finance system. I will continue to fight for campaign finance reform, because without it, we will not achieve the other reforms that have a direct bearing on better quality of life for Hispanic Americans and all who make up the great American tapestry.

In today's global economy, education is essential for success. If the Hispanic high school dropout rate remains stubbornly high, resulting in a lack of needed job skills for the 21st century, income gaps will grow and our poverty rates will rise. This is bad for America. We must work harder on these issues.

Knowledge of English is as important as education in order to succeed. However, I will consistently oppose positions that are divisive, such as "English-Only" laws. There is no need to abandon the language of your birth to learn the language of your future. Hispanics should use and cherish both.

Finally, I wish to recognize the outstanding contributions Americans of Hispanic descent have made to our national defense. In 1997, I was pleased to successfully co-sponsor legislation to

grant a Federal charter to the American G.I. Forum, the largest association of Hispanic veterans in the United States. I remain terribly proud that our Armed Forces, in which I was privileged to serve many years ago, today reflect the composition of American society better than any other institution. Hispanic Americans have sacrificed enormously to secure the liberties many of us take for granted today; their service honors all of us.

Hispanic Americans are honest, hard working patriots, who want and deserve the equal opportunity that is our nation's promise. Hispanics have distinguished themselves in every walk of life. This month, let's recognize their contributions that exemplify the American Dream.●

**U.S. BORDER INFRASTRUCTURE,
FEDERAL OFFSHORE DRILLING
ROYALTIES AND THE MCGREGOR
RANGE**

● Mr. GRAMM. Mr. President, at the request of the Honorable Elton Bomer, Secretary of State for Texas, I rise today to bring to the attention of my colleagues House Concurrent Resolutions 2, 59 and 133, as passed by the 76th Legislature of the State of Texas. House Concurrent Resolution 2 urges the United States Congress to provide funding for infrastructure improvements, additional personnel and extended hours of operation at border crossings between Texas and Mexico. In order for all Americans to fully enjoy the economic benefits of trade, we must ensure that the Customs Service obtains the resources necessary to reduce delays, promote commerce and combat illicit drug trafficking. The Senate recently passed the Customs Authorization Act of 1999—largely based on legislation I crafted to facilitate trade along the Southwest border—which authorizes the funds necessary to improve our border infrastructure and stem the flow of illegal drugs into the United States.

Secondly, House Concurrent Resolution 59 urges the United States Congress to pass legislation allocating a portion of federal offshore drilling royalties to coastal states and local communities. I believe coastal states deserve more than the 5 percent of the \$120 billion they helped generate during the past 43 years. States and local communities are more qualified than bureaucrats in Washington to allocate resources to address their specific local needs, and should be given the freedom to do so. By passing this resolution, the Texas Legislature has sent a clear message, and it is time for Congress to act. Common sense invites it, and fairness demands it.

In addition, House Concurrent Resolution 133 supports the United States Congress in ensuring that the critical infrastructure for the United States military defense strategy be maintained by withdrawing from public use the McGregor Range land beyond the

year 2001. The Military Lands Withdrawal Act of 1986 requires that the withdrawal from public use of all military land governed by the Army, including the McGregor Range, must be terminated on November 6, 2001, unless the withdrawal is renewed by an Act of Congress. As my colleagues may know, the McGregor Range at Ft. Bliss is America's principal training facility for air defense systems, maintaining our military readiness in air-to-ground combat by providing the highest level of missile defense testing for advanced missile defense systems. Texas has a long and impressive history of supporting America's defense, both at home and on the front lines, and I strongly believe that no state contributes more to the defense of our nation than Texas. I look forward to working to ensure that if the lion and the lamb lie to down together in this world, that the United States of America always be the lion.

Mr. President, I commend the Texas Legislature for passing these resolutions and ask that they be printed in the RECORD.

The material follows:

THE STATE OF TEXAS,
OFFICE OF THE SECRETARY OF STATE,
Austin, TX, August 20, 1999.

Hon. PHIL GRAMM,
U.S. Senator,
Washington, DC.

DEAR SENATOR GRAMM: Enclosed is an official copy of Senate Concurrent Resolution 2, as passed by the 76th Legislature, Regular Session, 1999, of the State of Texas, wherein the 76th Legislature of the State of Texas respectfully urges the United States Congress to provide funding for infrastructure improvements, more customs inspection lanes and customs officials, and 24-hour customs operations at border crossings between Texas and Mexico.

The 76th Legislature of the State of Texas requests that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States.

Sincerely,

ELTON BOMER,
Secretary of State.

SENATE CONCURRENT RESOLUTION NO. 2

Whereas, Bottlenecks at customs inspection lanes have contributed to traffic congestion at Texas-Mexico border crossing areas, slowing the flow of commerce and detracting from the economic potential of the North American Free Trade Agreement (NAFTA); and

Whereas, Smuggling of drugs inside truck parts and cargo containers compounds the problem, necessitating lengthy vehicle searches that put federal customs officials in a crossfire between their mandate to speed the movement of goods and their mandate to reduce the flow of illegal substances; and

Whereas, At the state level, the Texas comptroller of public accounts has released a report titled *Bordering the Future*, recommending among other items that U.S. customs inspection facilities at major international border crossings stay open around the clock; and

Whereas, At the federal level, the U.S. General Accounting Office is conducting a similar study of border commerce and NAFTA issues, and the U.S. Customs Service is working with a private trade entity to review and analyze the relationship between its inspector numbers and its inspection workload; and

Whereas, Efficiency in the flow of NAFTA commerce requires two federal customs-related funding commitments: (1) improved infrastructure, including additional customs inspection lanes; and (2) a concurrent expansion in customs personnel and customs operating hours; and

Whereas, Section 1119 of the federal Transportation Act for the 21st Century (TEA-21), creating the Coordinated Border Infrastructure Program, serves as a funding source for border and infrastructure improvements and regulatory enhancements; and

Whereas, Domestic profits and income increase in tandem with exports and imports, generating federal revenue, some portion of which deserves channeling into the customs activity that supports increased international trade; and

Whereas, Texas legislators and businesses, being close to the situation geographically, are acutely aware of the fixes and upgrades that require attention if NAFTA prosperity is truly to live up to the expectations of this state and nation; now, therefore, be it

Resolved, That the 76th Legislature of the State of Texas hereby respectfully urge the Congress of the United States to provide funding for infrastructure improvements, more customs inspection lanes and customs officials, and 24-hour customs operations at border crossings between Texas and Mexico; and, be it further

Resolved, That the Texas secretary of state forward official copies of this resolution to the President of the United States, to the Speaker of the House of Representatives and the President of the Senate of the United States Congress, and to all the members of the Texas delegation to the Congress with the request that this resolution be officially entered in the CONGRESSIONAL RECORD as a memorial to the Congress of the United States of America.

THE STATE OF TEXAS,
OFFICE OF THE SECRETARY OF STATE,
Austin, TX, July 28, 1999.

Hon. PHIL GRAMM,
U.S. Senator,
Washington, DC.

DEAR SENATOR GRAMM: Enclosed is an official copy of House Concurrent Resolution 59, as passed by the 76th Legislature, Regular Session, 1999, of the State of Texas. In this resolution the 76th Legislature of the State of Texas urges the United States Congress to pass legislation allocating a portion of federal offshore drilling royalties to coastal states and local communities.

The 76th Legislature of the State of Texas requests that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States.

Sincerely,

ELTON BOMER,
Secretary of State.

HOUSE CONCURRENT RESOLUTION NO. 59

Whereas, One of Texas' richest and most diverse areas is that of the Gulf Coast; the Coastal Bend abounds with treasures for all, and every year thousands of visitors flock to its beaches and wetlands to enjoy the sun, fish the waters, appreciate its unique scenery and wildlife, and bolster their spirits simply by being near such awe-inspiring beauty; and

Whereas, In addition to \$7 billion per year generated by coastal tourism, the area is also home to half of the nation's petrochemical industry and over a quarter of its petroleum refining capacity; and

Whereas, Coastal tourism, the petrochemical and petroleum industries, a robust commercial and recreational fishing trade,