

speaking about lowering the drinking age to help alleviate the problem with teen drinking. We understand that there are a large number of people between the ages of 18 and 20 who drink regardless of the law, and many of them even binge drink. Even though the legal drinking age is 21, many teens are able to purchase alcohol to consume on their own. 18 to 20 year olds can pay taxes, adopt a child, be drafted into the military, hold firearms, but they are not allowed to touch alcohol. This is an illogical inconsistency and infringement of civil rights on this age group. They are legal adults in every other respect and ironically not a lot of these legal adults who drink illegally increase the alcohol use and abuse it is meant to reduce.

Alcohol has become a forbidden fruit for teens. Drinking is more exciting when it is illegal than when it is legal. So many people go out and get drunk simply because they know they should not be drinking at all. Just look at our American history, we saw prohibition backfire. Instead of stopping it, it glorified it and we had increased alcohol. We see teens following that pattern.

Pat Griffin: The solution to this topic is a realistic drinking age combined with education of teens about drinking. There is no reason that an 18-year-old cannot drink as responsibly or even more responsibly than a 24-year-old. The level of maturity between these two ages are about the same. The solution is to educate young youths in how to drink responsibly for the first step but current alcohol education in high school, and in college set up on how to drink responsibly and ending with the message "Do not drink because you would be too young." First we need to educate teens, then we need to trust them. If we treat them like children, they will act like children. If you treat them as responsible adults, they will act maturely. With these steps we see many different changes of attitudes and behavior of young adults.

We wish to thank you for your time to educate young adults in how to drink responsibly and then let them drink responsibly. Thank you.

KYLE ROSE, ERIN GOVER AND KIM KLEIN
REGARDING TEEN CENTERS

Erin Gover: Good morning. My name is Erin Gover and today I will be speaking on the topic of funding of teen centers throughout Vermont.

For years society has been asking why teens turn to alcohol and drugs. So far we have concluded that the solution to this issue is positive alternatives. Well, teen centers are positive alternatives. Yet, out of all the towns in Vermont, Colchester is one of the only ones that does not have one. Yet, for three years organizations like the Colchester Growth Group have founded buildings, got the community's support and fundraised the money for a teen center, but to no avail. In its place is a gas station, a quicky mart, or even a bar. I do not know about you, but I would rather have my child going to a teen center where he or she can hang out with his friends, get help on homework, or just have a good time rather than hanging out at a bar.

To compensate for this teens founded Club 242 located under Memorial Auditorium in downtown Burlington. Club 242 is a place where high school bands can play, get their start, and other high schoolers can come watch, have a good time, and just hang out. And there is absolutely no alcohol, no drugs and no smoking, a positive alternative you might say. Yet funding is currently being taken away from Club 242. Why? This leaves Burlington and Colchester with about three alternatives: shopping, movies and drugs.

And it is the City of Burlington and the Town of Colchester that are making this decision, not the teens.

It is also your decision. As our representative, I believe you should make it your goal to not only make all of your fellow congressmen aware of the need for funding, but also to use your influence to pass a bill making it possibly a requirement for each town to have a teen center, a positive alternative. You should make yourself aware of these teen centers and make sure funding is not taken

The youth of Vermont have worked on this for years and continue to rally the support of the community. We are trying, but it is now your turn to help. And remember, actions speak louder than words.

Kim Klein: 90 percent of the reason why children go out and cause trouble is because there is not really anything for them to do. I mean there are parks and stuff like that, but most children will either go out and hand out in front of stores or stuff like that and go to parties, because there is nothing constructive for them to do. And as Erin said, Club 242, being a musician and playing in high school bands, it is hard for us to get anywhere. I mean, we played there, but to be able to play in other towns and stuff, there aren't places for us to do that because they are all bars.

MATT PLUNKETT AND RYAN ESBJERG
REGARDING TEEN DRINKING AND DRIVING

Matthew Plunkett: Congressman Sanders, eight young people die a day in alcohol-related crashes. During a typical weekend and average of one teenager dies each hour in a car crash; nearly 50 percent of those crashes involve alcohol. Alcohol is the number one drug problem among young people. This is a serious problem not only here in Vermont, but also across the nation. Drunk driving causes many deaths each year and many of us have suffered from the loss of friends and family who have died because of bad decisions involving alcohol and vehicles. When we look at the statistics on a national level, they may not seem very high but there is still a problem and more needs to be done, but then there is never enough that can be done until the problem ceases to exist.

We feel there should be more programs helping inform young drivers in training of the risks of how much more of a chance they have of getting in an accident while intoxicated. In our opinion there should be more funding or there should be funding for a problem that states some of the evils involved in alcohol-related crashes.

Ryan Esbjerg: These vehicles should not be overlooked. They are an educational resource that could be placed on display in private locations or driver's education classes can view the crash first-hand. Once young people see the results of one of these crashes, it might prevent them from making the same mistake as others. The viewing of the wreckage of cars in which people have died makes an impression that no film or lecture can match.

We keep track of history for a reason, to learn from mistakes and the mistake of drinking and driving is repeated too often. The accidents do not just affect the family of the driver or the passenger, they affect the whole community. We are urging you to extend the education of this subject, help save lives in any way that is possible, because you never know when it is your family member or your best friend you could read about in the newspaper.

Thank you for your time.

FRIEDMAN BAG COMPANY CELEBRATES OVER 70 YEARS OF OPERATION

HON. LUCILLE ROYBAL-ALLARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 20, 2000

Ms. ROYBAL-ALLARD. Mr. Speaker, today I congratulate the Friedman Bag Company for over 70 years of continuous operation in my congressional district and to highlight its leadership as a responsible corporate citizen.

In 1927, four Russian immigrant brothers started a small bag manufacturing company in the heart of Los Angeles. Sam, Saul, Harry and Morris Friedman fled Imperial Russia with their family in search of freedom, settling temporarily in Mexico until they were granted permission to enter the United States. Over the years, Friedman Bag Company grew almost as quickly as the city around it.

In many ways, the founding and growth of Friedman Bag Company personifies our nation's immigrant experience. The company was born from an immigrant family's dream to provide their children with a better life. The Friedmans succeeded, eventually becoming one of the largest suppliers of textile and polyethylene bags in the West. Their bags were primarily used for agriculture products such as Idaho potatoes, walnuts and other crops such as carrots and lettuce from the Central Valley of California.

But like many manufacturing companies in the United States, fierce competition from lower cost producers, in countries like China, eventually threatened the survival of Friedman Bag Company. To endure, the company needed to change and adapt to the new economy, and the successful effort was led by two sons of the founding members.

Friedman Bag Company desperately needed to invest money in new equipment. Company workers were still sewing burlap and mesh bags by hand. Morale and sales were suffering. Having never taken on debt financing in its history, the company embarked on a somewhat radical and risky venture to make sure it could remain competitive. Working with a financial institution that recognized its special history as a family business, and overcoming internal and external challenges, Friedman Bag Company secured the resources to continue its operations in the 33rd Congressional District.

Friedman Bag Company also worked with the Mayor and City Council to consolidate operations, ultimately bringing more jobs to Los Angeles. An article which appeared in the Los Angeles Times on May 26, 1999 and documents this important success story follows these remarks.

Today, Friedman Bag Company employs more than 250 people, with operations in Idaho, Washington and Oregon. The company's morale has soared as its future prospects have brightened. Friedman Bag Company is now firmly-positioned so a third generation of the Friedman family can continue the dream started by their family's ancestors.

I am proud of Friedman Bag Company's long tenure in southeast Los Angeles. Their efforts to modernize and adapt to an ever-changing economy in order to stay competitive are to be commended. Many men and women in my congressional district have worked at

Friedman Bag Company, supporting their families and contributing to our community. I congratulate Friedman Bag Company for over 70 years of success which has epitomized the contributions to America made by our immigrant community, and I wish them many more years of successful operation to come. I submit the following article into the RECORD.

[From the Los Angeles Times, May 26, 1999]

WHEN DEBT PROVES TO BE BEST ANSWER
(By Cyndia Zwahlen)

Long debt-free Friedman Bag Co. turned to bank loans when it didn't have the money to cover shareholder buyouts and upgraded technology.

Pressure from more than 30 family shareholders to sell Friedman Bag Co., against the wishes of company management, was threatening to destroy the value of the closely held Los Angeles company founded by three brothers in 1927.

The far-flung shareholders, only one of whom worked at the company, wanted to cash out their shares. Management, including two sons of the founders, was desperate to invest the money in equipment needed to bring the company into the 21st century. Company workers were still sewing burlap and mesh bags for the agricultural industry by hand. Printing presses were slow and inefficient. Morale and sales were suffering.

"It was like a tug of war," said Harvey Friedman, chief executive and son of one of the retired founders. As the debate intensified, rumors that the company was going out of business began to fly.

Friedman Bag didn't have the money to cover shareholder buy-outs and new technology. The shareholders weren't interested in a note—a written promise to pay them in the future. And sale of the company's real estate wasn't an option because of the huge tax bill that would result, Friedman said.

For the first time in more than four decades, the company was forced to consider going outside for financing.

It's a classic dilemma for a family business. The conflicting demands on company funds of growth or expansion and shareholders buyouts or dissolutions can push the most debt-averse company to seek outside money, particularly if buyout funding isn't covered by insurance or some other previous arrangement. Perhaps it's the founder who wants to cash out, or an owner dies and there are estate problems. Or an owner without an heir interested in the business may want to sell the company to the employees through an employee stock ownership plan.

"Growth, liquidity, unexpected dissolutions that can disrupt the business are needs for financing," said Alfred E. Osborne, director of the Price Center for Entrepreneurial Studies at UCLA.

A business typically has two options when it comes to outside money—taking on debt through a bank loan or selling a stake in the company to an equity investor.

Friedman Bag, like most family businesses, chose debt, unwilling to deal with additional shareholders and their demands. The company polled its industry contacts for potential lenders. After being debt-free for decades, it found itself being wooed by more than 20 banks. Friedman and his managers decided on Imperial Bank in Los Angeles for several reasons. They got a speedy response and a loan package that covered their needs: an equipment line of credit, a term loan to buy out the shareholders and an asset-based line of credit to pay for growth. The bank's enthusiasm for the company's prospects sealed the deal.

"When you borrow money, you want to feel like the bank is excited about your new ven-

ture and not that they are doing you a big favor," Friedman said.

All things being equal, he'd just as soon lend to a family business, said Imperial Bank Executive Vice President Duke Chenoweth, who grew up in a family with a business.

"A family will generally put everything they have on the line to uphold the integrity of that family business and the family name," he said. In addition to a potentially deeper level of commitment than an absentee owner or a group of professional managers, a successful family business often has a built-in successor, important for management continuity, Chenoweth said. And if worse comes to worse, often the retired founder can be relied upon for emergency guidance or deep pockets.

Bank debt isn't right for every family business, of course. A company has to be able to generate enough cash flow to repay the debt, which naturally limits how much money a company can borrow.

Although it's not as common for a family business, an outside equity investor can also provide needed cash. The downside is that most equity investors are institutional investors who typically expect a return on their investment within three to five years. That's not practical for many family businesses.

"It would be a mistake to say private equity has no place in family business, but it would only be under specific circumstances where the family is willing to provide a liquidity event," said Jourdi de Werd, a managing director and co-founder of investment bankers Greif & Co. of Los Angeles, one of several corporate sponsors of the Family Business Program at USC.

A family that is contemplating a transition to more institutional ownership or a founder that wants to take capital out of the business might turn to an outside equity investor, said de Werd, who also

Friedman offered several tips for family businesses thinking about outside financing.

He echoed the advice of several bankers when he suggested family businesses limit the number of family members working at the company. Bankers worried about the toll of inflated salaries. Friedman was more concerned about a company's need for broad skills and the potential impact on the family itself.

"Success is a blend of family members and outsiders," he said. "If there is too much family, then you have a lot of internal problems that are brought home."

In addition to good-quality management, what else are bankers looking for? Organized and complete financial statements, according to Henry Walker, senior vice president at Farmers & Merchants Bank in Long Beach. The quality of your record keeping is a reflection of how you manage your business, he said.

Assessing management and financial strength is a two-way street, Walker said. Is the lender you are considering strong enough to weather an economic downturn without jeopardizing your loan?

"It's a long-term relationship you're looking for, and you shouldn't lose track of that because of a point [of interest] here or there," he said.

Planning company strategy before seeking outside money is also important, Friedman said. Friedman Bag invested in an intensive total quality management program and months of planning before it landed its bank loan. When the money arrived, the equipment purchases and a move into a new facility were completed within just three to four months of the shareholder buyout in early January. This week the new eight-color press goes online with triple the capacity of its predecessor and a setup time of 45 min-

utes compared with the five hours if used to take.

Friedman Bag Co. has come a long way from its modest beginnings collecting, sorting and reselling burlap bags used on farms in the 1920s. Today it employs more than 250 people and has operations in Idaho, Washington and Oregon. It supplies packaging and equipment to the agricultural industry and sandbags to the U.S. military, among others.

Employee morale has soared along with the company's new prospects. The third generation, including Friedman's son, a company vice president, has a future to look forward to, according to Friedman.

"We are a totally different company today," he said. "A new Friedman Bag Co. was born on Jan 5, 1999."

A POWERFUL MESSAGE ON
PRAYER IN SCHOOL

HON. ZACH WAMP

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 20, 2000

Mr. WAMP. Mr. Speaker, one of the most troubling aspects of contemporary life is the continuing assault on values and morals. Nowhere is that effort more apparent than the determined drive to eliminate any voluntary prayer in our schools or at school events, such as athletic games. Recently, a distinguished citizen of my community spoke out on this subject. Jody McCloud is the principal of Roane County High School and has been for 11 years. He has spent 24 years as a professional educator. His comments summarize the situation about as well as anyone can. I am privileged to place them into the RECORD of the U.S. House of Representatives and urge everyone to read them carefully and pay heed. Here is what Mr. McCloud said.

It has always been the custom at Roane County High School football games to say a prayer and play the National Anthem to honor God and Country. Due to a recent ruling by the Supreme Court, I am told that saying a prayer is a violation of Federal Case Law.

As I understand the law at this time, I can use this public facility to approve of sexual perversion and call it an alternate lifestyle, and if someone is offended, that's OK.

I can use it to condone sexual promiscuity by dispensing condoms and calling it safe sex. If someone is offended, that's OK.

I can even use this public facility to present the merits of killing an unborn baby as a viable means of birth control. If someone is offended, no problem.

I can designate a school day as Earth Day and involves students in activities to religiously worship and praise the goddess, mother earth, and call it ecology.

I can use literature, videos and presentations in the classroom that depict people with strong, traditional, Christian convictions as simple minded and ignorant and call it enlightenment.

However, if anyone uses this facility to honor God and ask Him to bless this event with safety and good sportsmanship, federal case law is violated.

This appears to be at best, inconsistent and at worst, diabolical. Apparently, we are to be tolerant of everything and anyone except God and His commandments.

Nevertheless, as a school principal, I frequently ask staff and students to abide by rules with which they do not necessarily