Ismael Valdez, Hemet. John Thomas, assistant professor of economics and finance and SIFE faculty sponsor, accompanied the team to Kansas City.

''The Next Generation'' was the title of La Sierra University's winning presentation, which summarizes the 122 projects the team created this year. Project highlights include the ''Find a Dollar in the Debt'' giant sandbox in February trip helped the community visualize the size of the national debt, the annual Adopt-a-Child Christmas Party for area Headstart children, ''Touch the World/Tech'' a child reading and mathematics tutoring program at a local elementary school, homeless shelter employment weekly seminars, a signature campaign to halt the deficit, SIFE collector ''Slam the Deficit'' POGs for elementary schoolchildren, SIFE-Net cyberspace bulletin board and training sessions, ''Rent-a-Brain'' consulting service for local businesses, SIFE ABC publication series to provide fundamental information on important topics to the community such as drug abuse, interest rates, free trade, social responsibility, and the national debt, Strive-On minority role modeling, and many others.

Some 500 students from 50 college and university teams in the eight regions competed at the international exposition. Dow Chemical CEO and Chairman Frank Popoff was the keynote speaker. The 150 judges for competition were CEO's from Fortune 500 companies.

Approximately 75 La Sierra University students led out in this year's projects, which reached some 15,000 schoolchildren and a total of about 33,000 community people. Fifty of the projects were new this year, while more than 70 were continued from previous years.

The La Sierra University SIFE team swept the western regional competition April 10 in San Francisco, winning the Success 2000 Award and the Halt the Deficit Award, along with the Regional Finalist Award. They came home with three regional trophies and $3,500 cash from that competition, and a chance to compete at the international exposition.

The students of the La Sierra University SIFE team have made their community and their Congressman proud. It is truly an honor to represent such fine individuals and I give them the highest compliments. They deserve it.

IN MEMORY OF JAMES ARTHUR CALLAHAN

HON. CHARLES H. TAYLOR

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1995

Mr. TAYLOR of North Carolina. Mr. Speaker, I rise today to honor a very special person from western North Carolina, James Arthur Callahan. Jim Callahan passed away on June 2 at the age of 72. With great sadness, I offer my condolences to his wife, Janie Callahan and his children, Chris Callahan, and Susan McGowan. He was a native of Rutherfordton, NC and a life long member of the First United Methodist Church.

He was active for many years in the Republican Party, serving as county chairman and was also district chairman of the Republican Party for the 10th Congressional District. Jim served the State of North Carolina in many different capacities, he was appointed by Gov. Jim Holshouser to the North Carolina Banking Commission and later, served on the North Carolina Board of Transportation.

Mr. Callahan was a devoted father and leader in the business community. He was president and owner of Callahan Building Supply Co., and a former board member of Lumberman's Merchandising Corp. He contributed much of his time to public service as a former president of the Kiwanis Club, a member of the Rutherford-Spindale Jaycees and as a member of the Rutherfordton County Chamber of Commerce.

His direction helped lead the Rutherfordton County Republican Party to new heights. We should all admire a person like Jim Callahan who believed in the principals of honesty and hard work. When thinking of Jim Callahan, words such as friend, business leader, and patriot come to mind. His efforts in the community will be sorely missed as will he.

THE ENTERPRISE CAPITAL FORMATION ACT OF 1995

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1995

Mr. MATSUI. Mr. Speaker, I am pleased to join my House colleague and fellow member of the Ways and Means Committee, Congressman PHIL ENGLISH, and my Senate colleagues, Senator ORRIN HATCH and Senator JOE LIEBERMAN, in their efforts to promote economic growth and job creation through capital gains incentives. Senators HATCH and LIEBERMAN are introducing the Capital Formation Act of 1995. Hatch/Lieberman utilizes a two-tiered approach: broad capital gains relief and a second targeted capital gains provision. The House has already passed a broad-based capital gains provision earlier this year. The Matsui/English legislation is designed to be complimentary with the Hatch/Lieberman bill and with broad based capital gains passed by the House. Accordingly, it includes only the targeted capital gains provision.

I have worked for many years to enact legislation which provides capital incentives for high-risk, high-growth firms. In 1993, I was able to work with Senator BUMPERS to enact the Enterprise Capital Formation Act of 1993. Matsui/English is bipartisan legislation built on the 1993 legislation. It will be called the Enterprise Formation Act of 1995. Like the Hatch/Lieberman bill, the legislation will provide a 75-percent exclusion for capital gains resulting from direct investments in the stock of a small company—defined as $100 million or less in aggregate capitalization—if the stock is held for 5 years or more.

Biotech and high technology companies are particularly dependent upon direct equity investments to fund research and to grow. A targeted capital gains incentive is crucial for encouraging investors, including venture capital investors, to purchase the stock of these companies, thus putting their capital at risk with a long-term speculative investment. These small venture backed companies create high-skilled jobs, grow to create more jobs—at an average rate of 88 percent annually—and are aggressive exporters. According to one survey, their export sales grew by 171 percent annually. Finally, these companies are R&D intensive which means they are essential in keeping American workers and products on the cutting edge of innovation.

REFORM OF THE REA ELECTRIC LOAN PROGRAM

HON. RICHARD H. BAKER

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1995

Mr. BAKER of Louisiana. Mr. Speaker, I rise to discuss an important issue that has received little attention thus far in the 104th Congress: reform of the REA's subsidized loan program for electric cooperatives.

The REA has long been the target of loud criticism by many who believe the Federal Government's role in direct, subsidized lending to utilities should be curtailed. The REA has changed its name to the Rural Utilities Service [RUS], but it continues to provide subsidized loans to many healthy, financially stable electric co-ops at a cost of millions of dollars each year. Legislation I have introduced today, the Rural Electrification Loan Reform Act, would bring reform to this program which needs an overhaul.

I believe we should reform the REA electric loan program in a manner consistent with the free-market principles that motivate our balanced budget proposal. The concept driving this reform legislation is simple: If an electric co-op is able to obtain credit at a reasonable rate and terms from private lenders, then that co-op should not be able to participate in the taxpayer-subsidized REA program. The Federal Government simply should not be the lender of first resort for many of these co-ops. Other Federal programs, including Small Business Administration [SBA] and Farmers' Home loans, now use this reasonable credit-elsewhere test in an effective manner. Farmers and small businesses must try to obtain credit from banks and other private lenders before turning to Federal loan programs. We should enact this reform to bring the REA program in line with other Federal lending programs.

Instituting a credit-elsewhere test is a responsible way to reform the program in order to push the healthier electric co-ops toward private lenders, while preserving a scaled-back REA subsidized loan program for the struggling co-ops in the most distressed parts of rural America. My legislation will not terminate this REA program. Rather, it would concentrate the loan program for only those co-ops that can show a true need for assistance. Many do not realize that most electric co-ops now must obtain 30 percent of their financing from private sources, while the other 70 percent comes from the REA loan program at a subsidized interest rate. Congress should require co-ops to try to obtain 100 percent of their credit from a source other than the Federal Government, and retain the REA program for those co-ops that cannot access private capital. I certainly recognize the continuing need for subsidized credit assistance in some parts of rural America—including some parts of rural Louisiana. And if this legislation is enacted, these areas would continue to receive loan assistance from the REA program. But Congress must now make many difficult choices if we want to reach a balanced budget by 2002. I believe these are Federal dollars which could be better spent.