

and decades and decades the Soviet Communist party has spent billions of dollars to convince the Russian people that America should be the enemy, and it did not work in spite of all the effort of the Communist party. He went on to say that in 45 days President Clinton has done what the Soviet Communist party could not do, he has turned the Russian people against America.

Our embassy now tells Americans to not speak in English when they walk the streets. The Russians have cut off all contact with America. In 45 days this President has done what the Soviet Communist party could not do with billions of dollars in 70 years. Is this the kind of activity, is the continuation of this insane and reckless policy worth driving Russia into the hands of the ultranationalists and the Communists? I say no.

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REPORT ON TELECOMMUNICATIONS PAYMENTS MADE TO CUBA—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. 106-59)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on International Relations and ordered to be printed:

*To the Congress of the United States:*

As required by section 1705(e)(6) of the Cuban Democracy Act of 1992, 22 U.S.C. 6004(e)(6), as amended by section 102(g) of the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996, Public Law 104-114, 110 Stat. 785, I transmit herewith a 6-month periodic report on telecommunications payments made to Cuba pursuant to Department of the Treasury specific licenses.

WILLIAM J. CLINTON.

THE WHITE HOUSE, May 6, 1999.

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ANNUAL REPORT ON STATE OF SMALL BUSINESS — MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Small Business:

*To the Congress of the United States:*

I am pleased to present my fifth annual report on the state of small business. In 1996, the year covered by this report, more than 23.2 million small business tax returns were filed. A record 842,000 new small employers opened their doors and new incorporations hit a record high for the third straight year. Corporate profits,

employment compensation, and proprietorship earnings all increased significantly. Industries dominated by small firms created an estimated 64 percent of the 2.5 million new jobs.

Small businesses represent the individual economic efforts of our Nation's citizens. They are the foundation of the Nation's economic growth: virtually all of the new jobs, 53 percent of employment, 51 percent of private sector output, and a disproportionate share of innovations come from small firms. Small businesses are avenues of opportunity for women and minorities, first employers and trainers of the young, important employers of elderly workers, and those formerly on public assistance. The freedom of America's small businesses to experiment, create, and expand makes them powerhouses in our economic system.

*An Unprecedented Record of Success*

Looking back to the 1986 White House Conference on Small Business, one of the top priorities on the small business agenda was deficit reduction. Small business capital formation efforts had been undermined by interest rates driven sky-high by the demand for funds to service the growing national debt. Today I'm proud to say we've done what was thought nearly impossible then. This year we have converted the deficit to a surplus—and the budget deficit is no longer the issue it once was.

And my Administration is committed to continuing the dramatic growth of the small business sector. We continue to pay close attention to the perspectives and recommendations of America's small business owners. The 1995 White House Conference on Small Business sent a list of 60 recommendations to my Administration and the Congress—the result of a year-long series of conferences and a national meeting on the concerns of small firms. In their 1995 recommendations, the small business delegates told us they need less onerous regulation, estate tax relief for family-owned businesses, and still more access to capital to start and expand their businesses.

On each of these fronts, and on many others, impressive steps have been taken. I have signed 11 new laws that address many of the delegates' concerns. In fact, meaningful action has been taken on fully 86 percent of the 1995 White House Conference on Small Business recommendations.

*Easing the Tax Burden*

The Taxpayer Relief Act, which I signed in 1997, includes wins for small businesses and the American economy in the form of landmark tax reform legislation. The law will provide an estimated \$20 billion in tax relief to small business over the next 10 years. It extends for three years the exclusion from taxable income of money spent by an employer on education for an employee. The unified gift and estate tax

credit will increase the amount excluded from taxation on a transferred estate to \$1.3 million for small family-owned businesses.

The new law expands the definition of a home office for the purpose of deducting expenses to include any home office that is the business' sole office and used regularly for essential administrative or management activities.

And capital gains taxes are reduced from 28 percent to 20 percent. This will help small businesses by encouraging investments in businesses that reinvest for growth rather than investments in companies that pay heavy dividends. The law also improves the targeted capital gains provisions relating specifically to small business stocks. Moreover, small corporations are exempted under the new law from alternative minimum tax calculations. This provision saves about 2 million businesses from complex and unnecessary paperwork.

*Capital for Small Business Growth*

One of the Small Business Administration's (SBA) highest priorities is to increase small business access to capital and transform the SBA into a 21st century leading-edge financial institution. The SBA's credit programs—including the 7(a) business loan guarantee program, the Section 504 economic development loan program, the microloan program, the small business investment company program, the disaster loan and surety bond programs—provide valuable and varied financial assistance to small businesses of all types. The Small Business Lending Enhancement Act of 1995 increased the availability of funds for SBA's lending programs. In the 7(a) program in fiscal year 1997 alone, with approximately 8,000 bank and nonbank lenders approved to participate, 45,288 loan guarantees valued at \$9.5 billion were approved as of September 1997.

My Administration developed community reinvestment initiatives that revised bank regulatory policies to encourage lending to smaller firms. When combined with lower interest rates, this led to a sizable increase in commercial and industrial lending, particularly to small businesses. And in the first year of implementation under the Community Reinvestment Credit Act, new data were collected on small business loans by commercial banks. The SBA's Office of Advocacy has been studying and publishing its results on the small business lending activities of the Nation's banks.

And the Office of Advocacy launched a nationwide Internet-based listing service—the Angel Capital Electronic Network (ACE-Net) to encourage equity investment in small firms. ACE-Net provides information to angel investors on small dynamic businesses seeking \$250,000 to \$3 million in equity financing.

*Reforming the Regulatory Process*

The Small Business Regulatory Enforcement Fairness Act (SBREFA), fully implemented in 1997, gives small businesses a stronger voice where it's needed—early in the Federal regulatory development process. The law provides for regulatory compliance assistance from every Federal agency and legal remedies where agencies have failed to address small business concerns in the rulemaking process.

The new process is working. Agencies and businesses are working in partnership to ensure that small business input is a part of the rulemaking process. In the summer of 1997, for example, the Occupational Safety and Health Administration, in conjunction with the SBA's Office of Advocacy, convened four regional meetings with small firms to discuss a safety and health program under development.

Small firms are also witnessing more agency compliance assistance once regulations are in effect. Agencies are routinely providing compliance guides and lists of telephone numbers and e-mail addresses for small business assistance.

And the law provides for a national ombudsman and 10 regional regulatory fairness boards to make it simple for small businesses to share their ideas, experiences, and concerns about the regulatory enforcement environment. The ombudsman and boards are addressing many concerns expressed by small firms in dealing with regulating agencies.

*Expanding Technology and Innovation*

Initiatives like the Small Business Innovation Research Program, the Small Business Technology Transfer Program, and the National Institute of Standards and Technology's Manufacturing Extension Partnership and Advanced Technology Program were put in place in the 1980s to channel more Federal funding to small business research and to help small businesses move ideas from the drawing board to the marketplace. Clearly, progress has been made; much remains to be done. New Internet-based initiatives like the Access to Capital Electronic Network and the U.S. Business Advisor are designed to help many more small businesses make the connections they need to commercialize their innovative technologies.

*Enhancing International Trade and Federal Procurement Opportunities*

During my Administration, our Nation has led the way in opening new markets, with 240 trade agreements that remove foreign barriers to U.S.-made products. Measures aimed at helping small firms expand into the global market have included an overhaul of the Government's export controls and reinvention of export assistance. These changes have cleared a path for small businesses to enter the international economy.

To make certain that small companies can do business with the Govern-

ment, my Administration and the Congress have streamlined the Federal procurement process through administrative changes and the Federal Acquisition Reform Act of 1996. The changes instituted in these reforms are cost-effective for the Government and are intended to enable businesses to compete more effectively for Government contracts worth billions of dollars.

I am pleased that the SBA has instituted a new electronic gateway to procurement information, the Procurement Marketing and Access Network, or Pro-Net. This database on small, minority-owned, and women-owned businesses will serve as a search engine for contracting officers, a marketing tool for small firms, and a link to procurement opportunities.

*The Human Factor*

My Administration is moving to anticipate 21st century demands on our most important resource—our people. As a recent report by the SBA's Office of Advocacy points out, small businesses employed more people on public assistance in 1996 than did large businesses. Our Welfare to Work Partnership has already had positive results—we've moved two million Americans off welfare two full years ahead of schedule. And we are enlisting the help of more and more small business people to expand that record of success.

We want to educate and train a work force that will meet all our future global competition. For those in the work force or moving into it, I recently signed legislation that consolidated the tangle of training programs into a single grant program so that people can move quickly on their own to better jobs and more secure futures. The Balanced Budget Act of 1997 encourages employers to provide training for their employees by excluding income spent on such training from taxation. The SBA has also increased training opportunities for businesses by funding new export assistance centers and women's business centers across the country.

Women have been starting their own businesses at a dramatic rate in recent years. More than 6 million women-owned proprietorships were in operation in 1994, a phenomenal 139 percent increase over the 2.5 million that existed in 1980. But it is also women who are most affected by the lack of adequate child care. The SBA's Office of Advocacy has found that while small firms value the benefits of child care as much as large businesses, small businesses have been less likely to offer this benefit than large firms for a variety of reasons related to cost. The bottom line is that we've got to raise the quality of child care and make it more affordable for families. I have proposed tax credits for businesses that provide child care and a larger child care tax credit for working families.

I am pleased that so many Americans of all races and nationalities are as-

serting their economic power by starting small businesses. This report documents the growth: the number of businesses owned by minorities increased from 1.2 million to almost 2 million in the 5-year period from 1987 to 1992. The Federal Government has a role in widening the circle of economic opportunity. Programs are in place to ensure that socially and economically disadvantaged businesses have a fair chance in the Federal procurement marketplace. The share of Federal contract dollars won by minority-owned firms has remained at 5.5 percent for two years running—up from less than 2 percent in 1980. And recently the SBA and the Vice President announced new small business lending initiatives directed to the Hispanic and African American small business communities to give these Americans better access to the capital they need.

We have been working for the past 5 years to bring the spark of enterprise to inner city and poor rural areas through community development banks, commercial loans in poor neighborhoods, and the cleanup of polluted sites for development. The empowerment zone and enterprise community program offers significant tax incentives for firms within the zones, including a 20-percent wage credit and another \$20,000 in expensing and tax-exempt facility bonds. Under the leadership of the Vice President, we want to increase the number of empowerment zones to give more businesses incentives to move into these areas.

*Future Challenges*

America's small business community is both the symbol and the embodiment of our economic freedom. That is why my administration has made concerted efforts to expand small business access to capital, reform the system of Government regulations to make it more equitable for small companies, and expand small business access to new and growing markets.

This is an important report because it annually reflects our current knowledge about the dynamic small business economy. Clearly, much is yet to be learned: existing statistics are not yet current enough to answer all the questions about how small, minority-owned, and women-owned businesses are faring in obtaining capital, providing benefits, and responding to regional growth or downsizing. I continue to encourage cooperative Government efforts to gather and analyze data that is useful for Federal policymaking.

I am proud that my Administration is on the leading edge in working as a partner with the small business community. Our economic future deserves no less. The job of my Administration, and its pledge to small business owners, is to listen, to find out what works and to ensure a healthy environment for small business growth.

WILLIAM J. CLINTON.

THE WHITE HOUSE, May 6, 1999.

□ 2000

#### SPECIAL ORDERS

The SPEAKER pro tempore (Mr. PEASE). Under the Speaker's announced policy of January 6, 1999, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

#### 30TH ANNIVERSARY OF ARMENIAN STUDIES PROGRAM AT HEBREW UNIVERSITY IN JERUSALEM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. PALLONE) is recognized for 5 minutes.

Mr. PALLONE. Mr. Speaker, on Tuesday, May 4, at the Embassy of the Republic of Armenia here in Washington, D.C., an important milestone was celebrated, the 30th anniversary of the Armenian Studies Program at the Hebrew University in Jerusalem.

I believe this event is important not only because of the celebration of three decades of one of the world's finest programs for the study of Armenian language, literature, art and history, although this is of course extremely important in its own right. What distinguishes this week's celebration and the entire mission of the Armenian Studies Program at Hebrew University is the cooperation it represents between the Armenian and the Jewish peoples. This cooperation was in evidence as distinguished representatives from both the Armenian-American and Jewish-American communities were present at the Embassy.

Mr. Speaker, the Armenian and Jewish peoples have much in common. They are two of the most ancient and enduring nations, with histories and traditions that are measured not in centuries but in millennia. Sadly, these two peoples of great cultural achievement have also been singled out for unthinkable suffering, particularly in this century.

Last month, Members of this House paid tribute to the victims and survivors of the Armenian genocide in which 1.5 million Armenians died at the hands of the Ottoman Turkish Empire during the years 1915 to 1923. At that time there did not exist a word to properly convey the enormous horror of an entire people being singled out for mass murder, for racial or ethnic elimination.

It was not until the Nazi Holocaust, in which six million Jews were killed for no other reason than for who they were, that a term was devised to describe this mass atrocity: Genocide. In fact, when Hitler was planning his so-called "final solution" against the Jewish people, he said to his associates, "Who today remembers the extermination of the Armenians?"

Yet today, Mr. Speaker, the Armenian and Jewish people have overcome the horrors of the past, not forgotten, of course, but overcome. The Republic of Armenia is an emerging democracy that has worked to establish the institutions of a civil society at home while maintaining its national security despite being surrounded by hostile neighbors. The State of Israel has succeeded at these same daunting tasks, fostering a thriving democracy while remaining secure against hostile neighbors for half a century.

In Israel's capital of Jerusalem, in the southwestern part of the Old City, surrounding the Citadel of King David, is the Armenian Quarter. The staunchly Christian Armenian people, the first to embrace Christianity as their national religion, have maintained their presence in that area since early times. The Armenian St. James Cathedral is one of the most impressive churches in the Old City. The Armenian Museum is a graceful cloister housing a fascinating collection of manuscripts and artifacts.

Armenian Orthodox Patriarchate Road and Ararat Street, named for the mountain in full view from Armenia's capital of Yerevan, where Noah's Ark is believed to have come to rest, are two of the area's main thoroughfares. Jerusalem's approximately 2,000 Armenians live in a tightly-knit community known for their sophistication, dedication to their faith and their nation, and hospitality to visitors.

During the Armenian genocide, hundreds of thousands of Armenians were forced by the Ottoman Turks into the deserts of the Middle East. In the midst of their suffering, some Armenians were taken in and given protection by many people in the Middle East, and Armenian communities still exist in that part of the world.

Israel and Armenia continue to work on expanding and improving their bilateral relations. While there have admittedly been some differences, Armenian Foreign Minister Vartan Oskanian visited Israel late last year, at which time the governments of both countries emphasized their commitment to increased cooperation.

But, Mr. Speaker, while government-to-government initiatives continue, some of the most important advances come from the person-to-person relationships. Tuesday night's event at the Armenian Embassy is a testimony to that effort.

I want to pay particular tribute to two individuals who have done so much to further these important contacts, Annie Totah and Aris Mardirossian, the co-chairs of the 30th Anniversary Celebration. I also salute all of the Armenian and American Friends of the Hebrew University and all of the leaders in the Armenian and Jewish communities who have worked so hard for this very worthy cause.

Tuesday's reception will be followed by several noteworthy events in Jerusalem, including the International Conference on the Armenians in Jerusalem on May 24 through 26, a symposium for the Israeli public on June 6, and a symposium on the Armenian Pilgrimage to the Holy Land with guest of honor His Beatitude Mesrop II, Armenian Patriarch of Constantinople, and an alumnus of the Armenian Studies Program.

Finally, Mr. Speaker, I want to express my appreciation to one of the leading figures in the media, ABC news anchor Peter Jennings. On last Friday's broadcast, Mr. Jennings presented as part of his series on the century a poignant and powerful report on the Armenian genocide. In a century in which genocide has been a recurring horror, from the Nazis to Cambodia to Rwanda to the Balkans, it is important that all of us, in politics, in the media, in the field of education, and in other walks of life, be aware of what happened to the Armenian people 84 years ago.

#### THE FAA, DOT IG, NTSB AND AVIATION SAFETY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. WOLF) is recognized for 5 minutes.

Mr. WOLF. Mr. Speaker, on March 10, 1999, the House Appropriations subcommittee on Transportation held a hearing on the topic of aviation safety. At that hearing, Jane Garvey, administrator of the Federal Aviation Administration (FAA) testified, as did Ken Mead, Department of Transportation inspector general (IG), and Jim Hall, chairman of the National Transportation Safety Board (NTSB).

Last year, domestic air carriers had an excellent safety record: no passengers died on U.S. commercial flights. Many worked diligently to make safety a priority, and in the transportation appropriations subcommittee we have focused our efforts on aviation safety as well as all transportation modes.

In listening to the testimony prepared by each agency, it appeared that there was a difference of opinion in some areas with regard to the progress being made in aviation safety. Therefore, I requested that the IG and NTSB review the FAA's testimony and the FAA review the testimony of the IG and NTSB. In addition, I asked each to respond to the comments made by the others. I have provided this information for the FEDERAL REGISTER.

In general, the oversight agencies (NTSB and IG) believe that the FAA could be moving more aggressively in the referenced areas of aviation safety. For example, the NTSB noted that the FAA should be moving more quickly to ensure that aircraft registered in the United States have new flight data recorders. Similarly, the IG points out that draft regulations seeking to reduce the number of runway incursions have not yet been published while the number of runway incursions continues to rise.

Both oversight agencies suggest that the FAA should use more realistic measures of aviation safety. For example, the IG notes that