

THANKING ARMY RESERVE LT.
JEFF ALLEN

Mr. DASCHLE. Mr. President, tomorrow is a very special day for two little twin brothers in Rapid City, South Dakota. Ethan and Abraham Allen turn 2 tomorrow. Among the people who will be there to celebrate with them is their father, Lt. Jeff Allen.

Lt. Allen came closer than he likes to think to not seeing his sons' birthday. On April 6, he was in a convoy near Mosul, traveling south through Iraq, when a homemade bomb exploded under his Humvee. The explosion filled the calves on both of Lt. Allen's legs with shrapnel. His right ear drum was shattered, the retina in his right eye was torn, and he suffered serious lacerations on his face. He had been in Iraq for just under a month.

Like more than 40 percent of the American troops in Iraq today, Lt. Allen is a reservist. He is a nurse anesthetist with the Army Reserve's 348th Combat Support unit. When he is not on active duty, he works at Rapid City Regional Hospital. Like so many others civilian and military—he was in Iraq trying to save lives.

Before he arrived home on Monday night, Lt. Allen spent a month at Brooks Army Medical Center in San Antonio, where he underwent three surgeries, including skin grafts to his legs. He's likely to need more surgery, but doctors are hopeful about his recovery. He and his wife, Andrea, have been married for 6 years. He has been in the Army Reserve for 5 years.

At the beginning of our life as a nation, Thomas Paine said, "If there must be trouble, let it be in my day, that my children may have peace." America is fortunate today that we still have people, like Lt. Jeff Allen, who are willing to sacrifice so much and risk their lives so that their children will know peace. As he and his wife prepare to celebrate their sons' birthdays, we thank Lt. Allen and wish him a full and speedy recovery.

SPURRING AN ECONOMIC
RECOVERY IN RURAL AMERICA

Mr. DASCHLE. Mr. President, last month the Department of Commerce reported that my home State of South Dakota had the Nation's second-highest rate of growth in per-capita personal income during 2003.

This surely comes as welcome news to many South Dakotans who have struggled to make ends meet during our Nation's recent economic downturn.

But now is not the time for us to congratulate ourselves. Too many Americans still can't find work. Too many Americans still don't have health insurance. And of those lucky enough to have health insurance, too many Americans can barely afford it.

Last Thursday, Alan Greenspan warned that rising deficits threaten the long-term stability of our economy and he is right.

We need sound fiscal policies that preserve and protect the health of our economy. We must do everything we can to ensure that the economic recovery finally takes hold, and that the benefits of the recovery extend to all Americans, not just to a privileged few.

Unfortunately, even after last year's encouraging growth in personal income, South Dakotans still tend to earn far less than the national average, and the same is true for many other rural States in our region.

Even worse, average income figures conceal wide disparities in wealth between those at the top and those at the bottom even within our States. Sadly, rates of poverty in many parts of rural America are worse than we find in countries we often consider to be "developing." This is a quiet national crisis that we must address.

To reduce the prosperity gap between rural States and the rest of the Nation, Congress has created a variety of Federal programs designed specifically to promote rural economic development.

Unfortunately, the administration proposes to cut many of these programs, despite the positive results they have achieved. Instead of pulling the rug out from under those who need our help the most, we should be supporting programs that provide a helping hand to farmers, ranchers, and small businesspeople in rural areas.

With our help, they can bring the benefits of economic recovery to more Americans than ever before.

Small businesses are the backbone of this economy. According to the Small Business Administration, or SBA, businesses with 500 or fewer employees are responsible for roughly three-quarters of net job creation in this country. In my State, and in many other rural States, this figure is even higher.

According to the FDIC the 7(a) program is one of the single largest sources of long-term capital to small businesses in this country. By providing lenders a guarantee against default by small borrowers, it provides capital to those borrowers on more favorable terms than they could get anywhere else.

This is not a big-government handout, as some might be tempted to claim. It is a helping hand from the government to the invisible hand of the market.

So I was disappointed in January when the SBA was forced to temporarily suspend its most successful small business loan program, the 7(a) Loan Guarantee Program, because the Bush administration failed to support sufficient operating funds.

Unfortunately, this is the most recent manifestation of the administration's history of underfunding successful small business programs. According to the FDIC, the 7(a) program is one of the single largest sources of long-term capital to small businesses in the country.

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provides capital to those borrowers on more favorable terms than they get anywhere else. This is not a big government handout as some might be tempted to claim. It is a helping hand from the government to the invisible hand of the market. With the funds acquired through the 7(a) program, small businesspeople are free to expand their operations as they see fit, and their positive record of job creation shows plainly that they know how to do so effectively.

For all of its rhetoric about supporting small business, how much did the Bush administration devote to this key program in the proposed budget for the upcoming year?

Not one dollar. The administration actually proposes to eliminate the funding for the 7(a) program—in effect, doing away with the single most helpful nudge the Government can provide to these businesses. In my view, this is not the way to boost job creation.

The abandonment of the 7(a) program is not an isolated case. It is part of a larger pattern of cuts to programs that always have assisted small business especially.

Consider the SBA's Microloan Program. Under this program, the SBA provides funds to qualified nonprofit organizations which then make up loans of up to \$35,000 to new and existing small business. According to the SBA, the average loan is around \$10,500. The nonprofit lenders that participate in the program also provide management and technical assistance to borrowers to ensure that they have the skills necessary to succeed. Since the Microloan Program was established in 1992, it has facilitated more than 12,500 loans with \$102 billion. Despite the fact that the borrowers who benefit from this program tend to have relatively low credit ratings which makes them unattractive to commercial lenders, the program has had only one loss to date. Few government programs can match that record of success. And few provide as much value to able entrepreneurs. Regrettably, the administration has proposed eliminating this program, as well.

Another critical area that has been shortchanged is the small business outreach in Indian country. Native Americans continue to suffer from rates of unemployment far greater than those that existed in America even during the Great Depression. Part of this problem stems from the lack of an active small business community in much of Indian country and a lack of resources to help stimulate the creation of such a community.

Years of experience with efforts to reduce poverty in Indian country have taught us that market-based, business-oriented approaches hold the greatest promise for success. But the market will not eliminate poverty on its own in Indian country. The neglect by the Federal Government has gone on far too long. The poverty is too extreme, too deep rooted.