

SMALL BUSINESS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, January 24, 1996 into the CONGRESSIONAL RECORD:

SMALL BUSINESS: CREATING OPPORTUNITY

Small businesses are the backbone of the American economy. They generate a majority of our new jobs and provide many important technological innovations. They also play a vital role in satisfying the country's need for opportunity and choice. For years, small businesses have repeatedly led this country out of troubled economic times and into prosperity.

There are over 5.8 million small businesses in the U.S. today, employing more than 92 million private sector workers. Small businesses account for 50% of the nation's sales, 50% of private sector output, 53% of U.S. employment, and 99.7% of all employers. There are over 129,000 small businesses in Indiana, employing over 2.1 million people. By any measure, small businesses are a key source of growth and dynamism in our economy.

WHITE HOUSE CONFERENCE

The small business community, however, does face numerous challenges in the national and global marketplaces. Last summer a bipartisan delegation of over 2,000 small business men and women, including representatives from southern Indiana, met in Washington to identify the key concerns of America's entrepreneurs and develop specific recommendations for maintaining and encouraging the economic viability of small business.

The White House Conference on Small Business made 60 recommendations, focusing on three critical areas: improving access to capital; easing regulatory burdens; and making investments in our workforce. Congress and the President took some steps over the last year to address these concerns, but more work needs to be done.

CAPITAL FORMATION

Access to capital is a critical problem for many small businesses. More than two-thirds of all new firms begin with less than \$10,000 in total capital, much of it provided by the owner, family members or friends. Once established, a small firm must face interest rates on bank loans two or three percentage points above the prime rate. The White House Conference made several recommendations to improve access to the capital needed to finance the survival and growth of small businesses, and Congress has acted on some of those proposals.

Congress, with my support, approved the Small Business Lending Enhancement Act which will allow SBA to increase total loan volume at a lower cost to the taxpayers, and SBA has acted independently to simplify the application process for small businesses. Furthermore, federal bank regulators have reduced regulation and paperwork burdens for small national banks, and securities regulators have eased registration and filing burdens for small business.

Small business is also keenly interested in tax relief, particularly relating to capital gains and estate taxes. I agree that the federal government should encourage investment, and have been supportive of carefully designed efforts to increase savings and investment. I would expect to support such changes again in the context of comprehensive, fiscally responsible tax reform.

REGULATORY RELIEF

Federal, state and local governments impose too many requirements on the operation of businesses. The burdens often include substantial paperwork and record-keeping requirements. The White House Conference made several recommendations for easing or eliminating federal regulations, some of which have been acted upon and others of which are under consideration in Congress.

Congress, with my support, approved a measure to minimize the paperwork burden for regulatory compliance. I have also supported bills, approved by the House and pending in the Senate, to impose a temporary moratorium on regulations; require federal agencies to conduct risk assessment and cost-benefit analysis of federal regulations; permit small businesses to challenge proposed federal rules in court; require compensation for property owners adversely affected by regulations; reform product liability laws; and change federal procurement laws to increase government use of commercial items.

We need a commonsense regulatory system that works for small businesses, not against them. The system should protect health, safety and the environment without imposing unacceptable or unreasonable costs on small business. Regulations should recognize that the private sector is the best engine for economic growth, respect the role of state and local governments, and be effective, sensible and understandable.

WORKFORCE INVESTMENT

As business technology has become more complex and the world economy more competitive, the strength of the American economy depends on the skills and training of our workforce. Small business owners often tell me of the need to improve the quality of education and access to skill training. The White House Conference echoed these views.

The task of preparing our workers falls on many of us: parents, educators, businesses, and the public sector. The federal government has a secondary, though, important role. Congress, with my support, is currently reforming federal job training efforts—streamlining various programs and giving more flexibility to the states. I do not support, however, the deep cuts in job training and school-to-work programs favored by Speaker Gingrich.

The White House Conference also focused attention on the rising cost of providing workplace benefits, urging various pension and health care reforms to ease these pressures. Congress, with my support, approved a measure to reinstate the 25% health insurance premium deduction for the self-employed and raise the deduction level to 30% in tax year 1996. I favor a 100% deduction. Congress is also debating proposals to encourage greater retirement savings.

CONCLUSION

We Americans should try to help small businesses compete by increasing their productivity—by increasing the quality and quantity of capital their workers use, by improving their employee skills through training, and by enhancing their management skills. Ensuring that financing is available and affordable will be critical to allowing small business to achieve these goals. Their competitiveness will also be improved by easing regulations. Small firms must also continue to do what they do best—experiment with new products and process innovations—if they are to hold their important position at the leading edge of the American economy.

ELLA LEE COLLINS TURNS 100
FEBRUARY 20

HON. JAMES T. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Mr. WALSH. Mr. Speaker, I ask my colleagues to join me today in wishing a special happy birthday to Ella Lee Collins of Syracuse, NY, who turns 100 on February 20.

On behalf of her 3 children, 19 grandchildren, and 26 great-grandchildren, all of whom turn to her for advice and guidance as she remains an active matriarch and all of whom have never been neglected a birthday wish from her—I wish her a happy, happy centennial celebration.

On my own behalf I want to thank her for 30 years of service as an active member of the Board of Elections in Baldwinsville, NY. Fulfilling civic responsibility in this way, she has gained many admirers through her career.

Having spent her life in service to family and community, Ella Lee Collins now lives in the Bishop Ludden Apartments and spends her private time on some favorite TV watching: The Guiding Light soap opera and New York Yankees games.

May God grant us all the longevity and vitality of Mrs. Collins.

BILL TO AUTHORIZE THE ARMY
CORPS OF ENGINEERS TO MAKE
CAPITAL IMPROVEMENTS TO
WASHINGTON AQUEDUCT

HON. ELEANOR HOLMES NORTON

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 31, 1996

Ms. NORTON. Mr. Speaker, since 1859, the Washington Aqueduct has provided Washington, DC, and the metropolitan region with safe drinking water. Each and every day, 24 hours each day, the Aqueduct collects, treats, and transports water to the District, Arlington County, Falls Church, the Pentagon, National Airport, and Arlington Cemetery. The Army Corps of Engineers owns and operates the Aqueduct on behalf of the Department of the Army and in fiscal year 1994 alone, delivered 67 billion gallons of water to Aqueduct customers—60 percent of that amount to the District of Columbia.

In his February 1, 1996 report, The Washington Aqueduct: Financing and Ownership Study, Secretary of the Army Togo West reports that throughout its history, the Aqueduct has been continually upgraded and improved to meet changing regulations and new technology. The Secretary, however, admits that Aqueduct facilities currently are "in need of modernization to meet future drinking water and water quality." Evolving Safe Water Drinking Act standards in fact require upgrading Aqueduct facilities.

Last November, Virginia Senator JOHN WARNER, chair of the Senate Subcommittee on Transportation and Infrastructure, included a provision in both the Water Resources Development Act (S. 640) and the Safe Drinking Water Act (S. 1316) which authorizes the Army Corps of Engineers to borrow the funds from the Treasury necessary for improving the