

OPENING STATEMENT
Small Business Hearings

There are several vital reasons for bringing this Congressional hearing to _____.

The first is that I hope to probe what, specifically, the national economic problems are doing to the communities and people in our district.

Secondly, I hope to examine carefully the effects of the economy on small business -- which, because it creates more than 80 percent of all the new jobs and employs half of our total workforce, is the most accurate gauge of the real health of the American economic system.

Thirdly, I want to listen directly to the specific ideas of the men and women who are on the line -- the entrepreneurs, the risk-takers, the innovators who bring creativity and ingenuity to Main Street.

And fourth, armed with what I learn, I intend to file an official report of these hearings with the committees of Congress and I intend to focus my own legislative efforts in the next several months to put the best of these ideas to work for you in Congress.

But before we begin, I would like to make a few observations which hopefully will set the stage for the testimony we will be taking.

The stakes are too high for anyone to stand along the sidelines and engage in partisan finger pointing over the mess we're in.

The economic situation facing both the Northwest and the nation is far too grave for any of us to look back over the past and attempt to assign blame for our current economic plight.

This is a time to offer the constructive remedies which look to the future. To the next solutions.

This hearing is the time to face up to national economic course corrections necessary to get us back on the road toward jobs and economic growth, especially in the small business sector.

I feel continued anxiety over the current state of the economy.

When the total number of unemployed in Oregon is 31.5% higher than it was one year ago, with over 126,000 Oregonians out of work,

When business bankruptcies in Oregon are up 14.7% compared with one year ago,

When the "help wanted" ads -- recently cited as an example of how things really aren't as bad as they seem -- are down over 36% from last year in the Oregonian,

...then I believe, hopefully working with the Administration, all of us must make the course corrections that are needed to achieve the goals that every reasonable person shares -- equitable tax relief, a reduction of outrageous budget deficits, and a relief from overburdensome regulations.

I refer to an economic course correction for this reason: Just because the federal government's heart is in the right place is no guarantee that its policies are in the right place.

There is a growing realization that the current national economic plan is requiring tremendous sacrifice from the smallest firms on Main Street.

This is a trend which must be changed if we really hope to put people back to work, because it is the small business sector which creates more jobs than any other.

For example, taking the period between 1969 and 1976, of the 16 million new jobs that were created, 12 million were created by small business. And today, firms employing less than 500 workers account for about ___% of the total Oregon business employment.

I believe the people of this nation seek only two elements in any economic policy...make it fair, and make it work.

Is it fair or workable to have an economic policy which exempts oil companies from windfall profits taxes and allows the largest corporations to sell their paper tax losses -- while offering no relief to small business from history's largest peacetime tax increase, the 1977 payroll tax hike?

Is it fair or workable to have an economic strategy that abandons the 1984 goal of a balanced budget, produces projected deficits of \$300 billion in three years and, with that, the continuation of high interest rates?

I believe it clearly is not workable -- the collapse of the housing, timber, automobile, and thrift industries is clear evidence.

Nor is it fair. The largest companies of America are inconvenienced by high interest rates but they can survive because they are big enough to compete for credit at any price. Not so for the small businessman in _____. He's nailed to the wall, especially if he carries an inventory of any size.

The unthinkable size of the proposed federal deficit and the continued threat of killer interest rates are the two key flaws in our current economic game plan.

I intend to work to correct these flaws in the immediate weeks to come. By coming together, Americans of all political parties and regions can ensure that this effort is successful.

That's the spirit of cooperation and statesmanship the country needs right now. And it is in that spirit that this hearing is being held -- as are five others I've scheduled throughout the district during this trip.

Finally, let me say that those are the overarching issues. I am also here today to look carefully into the less visible issues that are vexing small business owners. Issues that unnecessarily divert time, energy and creativity from productivity and job development. Issues that do not make the Front Page, but may mean, over the long term, the life or death of the small business endeavor.

These matters are also the urgent business of the Congress. I am here today to listen, and act on these issues, too, in the immediate weeks to come.

The national economic debate has already begun this year within the halls of Congress. Through these hearings, my hope and my purpose is to give the small business community of our district a direct voice in that debate.

Let us begin.