

3-8-1977

Speech on Government Regulation and Small Business Reactions

Duane Pearsall

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Teachers comments - Economics program sponsored
by Johns Maxwell - ~~John Maxwell~~ APP #
Dr. Dwight Lee - ~~Dr. Professor~~
La Kay Schmidt - ~~La Kay Schmidt~~
1977
50 teachers
Cherry Creek & Jeffco

Session #5

March 8, 1977

Speaker: Duane Pearsall

Topic: Government regulation and small business.

RESPONSES:

" At last - somebody human! Or-perhaps the setting is more human - or both...

Obviously J-M should draw more on local talent -- far more cost effective (with the exception of Dwight Lee)

The role of small business:

95% of all businesses are small.

If a business needs capital - 2 options: going public merging.

This gentleman is an extremely effective teacher. He obviously has a personal, emotional investment in his topic. He brings experience, humor, reality to his subject. He is articulate, sensitive to his audience, and highly expressive in voice and gesture.

Regulations affect small business-as a spin-off. Regulations are done with big business in mind. Small business cannot afford paperwork! Pension funds not available to small business either. Costs companies \$150-200,000 to register prior to going public. These are interesting bits of information. At last I've learned something new!

1977

5th Session

8 March 1977

Duane Fearsall

1. Probably one of the most interesting, provocative and well-prepared presentations in the lecture series. Mr. Fearsall was specific with excellent
2. I found his information concerning the ^{examples} scope of small business activity and its importance in the economy quite fascinating.
3. The only question I have is this - If small businesses are disappearing, is any part of the cause the action of large businesses as well as the actions of government? If so, doesn't protection of small businesses require more regulation of big business by government? In other words, doesn't part of the solution as well as part of the problem, lie in increased government regulation?

One of the most interesting speakers of the entire class was Mr. Duane Pearsall, president of Statitrol, Inc. He spoke in a very interesting manner primarily on the topic of the decisions made by the president of a small business. This process of decision-making I found interesting and not covered in the standard economics classes I have attended. My paper, therefore, will focus on the decision-making process in the American economy, drawing on the information given in the class about corporation decision-making, the decisions made by a small business owner, and thoughts about the individual consumer as a decision-maker.

Session 5 - Mr. Duane Pearsall

Very good speaker - mainly because he had something to say rather than vague generalizations: details of his business, emphasizing decision making. What he had to say could be used by teachers - if teachers could get economics down to decision makers like Pearsall it would be more meaningful to students which is what this whole seminar is supposed to do.

I don't agree with all his opinions but he made the best case for a conservative point of view, especially for protection of small businesses.

Session 5:

3/8/77

Duane Pearsall

This gentleman was very interesting. I greatly enjoyed his description of how he was able to get into business and how he was able to achieve those things which he was able to accomplish. His discussion concerning the various "Decision Points" was most helpful. He concluded his lecture with a short discussion on the impact of government controls and regulations.

Session #5 March 8

I enjoyed very much the talk tonight on the regulation of small business. The speaker was very informative, but at the same time entertaining. (Best speaker we've had so far) His arguments made alot of sense to me. He convinced me that in many ways government is structured as to ignore small businesses. What I liked most about tonights presentation was that the speaker not only gave his opinions but offered concrete alternatives to the problem. The increasing of tax credit and opening up pension funds for investment, make alot of sense to me. Personally I agree with him, that the best way to regulate ~~big~~ business is to make sure that SMALL Business survives. His ending of the talk by relating his experiences with his own business and the failure of his company to survive, was particularly dramatic and made a big impression on me. ~~It is a pity that the U.S.A. standards.~~

March 8

Duane D. Pearsall was the most dynamic speaker we have had so far. His genuine concern for the "common man" setting forth in the business world was very easy to relate to and will be valuable information to relate to students. Federal controls seem to be very restrictive to the small businessman. I wonder why the small business lobby has not been stronger in Washington. Merger seemed to be the only way out for Mr. Pearsall, I do so hope it is not so appealing a choice for more businessmen working in a smaller market.

Session 5-- Mr. Duane Pearsall
Statitrol, Inc.

What started out to be a very traditional and perhaps even boring session turned into one of the most interesting, enjoyable, and perhaps beneficial sessions of the entire series. Mr. Pearsall's personal involvement in decision making in a small business setting opened many

eyes to the problems faced by small businesses in our country today. His treatment of the hardships brought about by government intervention brought life to the often heard criticisms that that business has regarding the federal government. Also, his account of personal involvement in small business decisions served as excellent examples to use in studying the role of small business and the dangers of survival which they face in today's world. This was a highly beneficial and entertaining session.

3-8-77

Duane Pearsall of Statitrol was the speaker. Mel Ovinge, the Vice President of Continental Can was listening in tonight.

Mr. Pearsall is just the man that could sell New York to the Arabs. This man started off by admitting that he was biased against government encroachment into the realm of small business.

Duane Pearsall gave interesting statistics concerning large and small business and usually tied the ~~topic~~ lesson into his own situation. He ended the lesson by telling us how the current economic situation facing the small business man forced him to merge with a larger company.

Clearly Mr. Pearsall was an effective speaker, and even though all of our speakers have been well dressed this mans attire was impeccable.

March 8, 1977
Duane Pearsall
Statitrol Incorporated

It was quite interesting to see how a man like Mr. Pearsall could come from really nothing and develop a million dollar business in fire detection devices. This does show how the free enterprise system is at work.

It would have been a little better if he could have maybe said even more about government intervention and related it to the industrial age but at least we did get to see how it affects a smaller business rather than just the large corporations.

I did enjoy having Mr. Pearsall for a different ^{PR} perspective but it did seem like more of a success story.

Session #5

Mr. Duane Pearsall talked about a small business & its excitement. He made it very clear small business is very risky at the least. I got very little from this talk.

Session 5 Government attempts to improve on the market - with special emphasis on small business

Duane D. Pearsall

Mr. Pearsall was very informative and interesting. Enjoyed his presentation! He wasn't all tied up with theory but introduced actual experiences and how his decision affected his life and his family expectation. Mr. Pearsall began his lecture with current trends in the economy, inflation will jump, higher interest rates, unemployment will be lower. Major portion of discussion dealt with the role of small business in the economy and how government regulations are crippling to the small businessman. 95% of all business are considered small. The small business has two questions to answer, one, when to go into a business enterprise and second, when to stay and when to get out of that enterprise. Ten million small business major concern is capital-short economy.

Perspective Really enjoyed Mr. Pearsall presentation. Very relaxed and easy to listen to in his presentation. Received a completely different perspective on the "so-called" businessman and the problems faced by one-half of all employed people in our economy.

March 8 - (Session V)

An interesting session by a personable speaker. This session dealt with the special problems small businessmen are facing in regard to the anti-small business attitude of the government. These negative attitudes are felt most particularly in two areas; investment and paper work. The government is making it increasingly difficult to invest in small business. The amount of regulatory forms needed to be filled out is also becoming a tremendous burden. The picture for small business seems to be very gloomy.

Session #5

Duane Pearsall, the President of Statitrol, Inc. and the National Small Businessman of the Year, discussed the problems facing the small businessman today especially in the area of financing the growth of their businesses. His great concern is that we are losing the small and intermediate business sector to large corporations. In fact, he revealed that he had just sold his business to Emerson Electric. Government regulations are established with big business in mind. Paper work is expensive. The Pension Reform Act effectively cut off the investment of these funds to small businesses.

He feels it is important to convince students that business is good and work for changes in laws regulating and taxing business. A good discussion followed. He was an interesting and knowledgeable speaker.

Session I

This session on small business was interesting & opened up new ideas. It was the most informative session. We were challenged with some new ideas and given credit for knowing something!

Fifth Session

DATE: March 8, 1977

LOCATION: Cherry Creek High School

SPEAKER: Duane Pearsall (Statitrol, Inc.)

TOPIC: The Problems of a Small Business in America

In a personable straight forward manner Mr. Pearsall dealt with the rights a small businessman must take. He went through the key decision points of his life where he had to make decisions critical to the future of his business and himself. Although some of these were incorrect overall he obviously has done well. There is no question that the small businessman is involved in a risky vocation made even more difficult by the reality that America is oriented toward big business.

Laws, agencies, and regulations are aimed at the businessman frequently creating difficult if not impossible situations for the small businessman. Pearsall also explained the need for reform and the program being discussed in Washington D.C. to make conditions more tolerable for small business.

This session was interesting and informative especially since it was a small businessman talking about his own experiences and life.

Session V - March 8, 1977

Duane Pearsall, President

Statitrol, Inc.

Mr. Pearsall began his presentation with this comment: "The gamblers aren't in Las Vegas, they are right down the street (the businessmen)." This comment was the interesting beginning of a very worthwhile session. Mr. Pearsall related the history of his business and economic problems and experiences as an independent businessman. I had always wondered how he arrived at the name of Statitrol--it came from the combination of "static control." He explained how the transition from static control devices to smoke control was an accident. His conception of governmental controls of small businesses was very enlightening. He included information on the ramifications of the minimum wage which gave me a new and better understanding of this area.

In all, this was an excellent session. I have listened to Mr. Pearsall many times, but I always enjoy his presentations. There was really not enough time for discussions after this session. It would have been interesting to compare the impact of governmental controls on small business as opposed to big business.

March 8 Duane Pearsall ~

Mr. Pearsall was my favorite speaker. His charm, humor and wit added to his own enthusiasm and sincerity for small business made him a very enjoyable speaker. His statistic that 95% of all business is small business is a very interesting statistic. His discussion on the machine with negative ions was very amusing and heart warming.

Many of his comments concerning the "touch and go" problems that small businessmen face was very dramatic.

I enjoyed his personal touch to the discussion when he ended with the present status of his business. He also came out strong for limited governmental involvement.

3-8

Session 5

Speaker: Duane D. Pearsall

"Small Business Perspectives on the Impact of Government Controls and Regulations"

Very excellent session on small business. Enjoyed U.S. Chamber of Commerce quotes. Enjoyed Duane's comments about his own personal experiences.

Session V

Mr. Pearsall started the session by giving us some predications that he felt were going to happen in business and our economy. He spent most of the session telling us the story of how he got started in a small business, how it grew and its many problems. Mr. Pearsall did an excellent job in showing how government reg. were hurting the small businessman. Above Average

Evaluation - Session V - Duane Pearsall

I found listening to Mr. Pearsall one of the more enlightening sessions of the seminar. He presented well his own experiences and the advantages and disadvantages of small business. He made the best, "case" against some government regulations by effectively presenting the costs to the small business person.

I was disappointed that he sold his business to a larger concern.

Session V Evaluation
Government Controls and Small Business

Government is structured to ignore small businesses and must make some changes in tax structure and credits to help stimulate the growth of these businesses. Companies with less than 100 employees represent more than 10 million businesses, or 13 million including farmers; and they alone could wipe out unemployment and increase production if tax incentives and deregulation were to become evident.

Business is in a capital short economy now, we are technologically behind several other countries and this must be reversed if we are to keep up as a nation with an effective free enterprise system.

Specifics of Statitrol Corporation were cited, its beginnings, growth and eventual immersion into a larger corporation to become an effective and strong business. Mr. Pearsall was one of the most interesting and effective speakers to date. He spoke from experience, dedication and knowledge and effectively presented the case for the deregulation of small businesses, especially through tax credits and new ways to raise capital other than the costly and lengthy process of 'going public'. Efficient resource use and development would be more effective if some of his ideas were put to use.

Session 5

Session 5 was superb! Mr. Duane Pearsall was a dynamic speaker and, in my opinion, the best speaker we have had thus far. I was very interested to learn of Mr. Pearsall's personal struggles, triumphs, and failures in the formation of his own company, Statitrol. I could identify with him to some degree because my husband and I have been operating a small business for the last eight years and have faced many similar crises and decision points, although on a much smaller scale (as ours is strictly a "mom and pop" operation).

I was also interested to learn of the effects of the many government regulations on the small businessman--and it is to Mr. Pearsall's credit that he could give us so many statistics and "dry" information and make it all so interesting and "alive." He seemed to me to be the first speaker to indicate that he was trying to do something about the government interference. It seemed that all the other speakers had complained about the situation and reiterated how much better things would be if the market were not restricted; but, up to this point, no one had offered any solutions. Although Mr. Pearsall did not have "the answer," he did tell us of some positive actions taken by the task force of which he is a part and of the Small Business Council submitting legislative proposals for tax reform and loosening the channels of money for the small business. If there is going to be any sort of a reversal of this regulatory trend or if there is to be any relief for the small businessman; it will be through the efforts of men such as Mr. Pearsall in influencing decision-makers in Washington and in at least attempting to get this view heard.

SESSION 5

March 8, 1977

Duane Pearsall

Statitrol

I was very interested in this class as I was fortunate enough to spend a day at Mr. Pearsall's statitrol Co. on the Shawdow Program for Jefferson County. I learned much from the day and so the class was kind of a repeat as far as growth, market, etc. I was surprised at the developments that have occurred since that time, like having to sell because of getting caught at an in between size.

Mr. Pearsall is a very dynamic business man and I am impressed with the knowledge he has. He is definitely a success story for those individuals who would like to start their own business, up to a certain extent. Maybe dent the market once in a while would be a better selection of words. Interesting class.

Session 5 Mr. Duane D. Pearsall (Statitrol Corp.)

Mr. Pearsall came to us as small businessman of the year--both for Colorado and the United States. He had just returned from Washington and reported to us from his notes regarding what our law makers think lies ahead for the economy. That was just as interesting to me as his personal success story. Real growth is expected to slow in 1978 from the present 4.8%, and to become critical in 1979. The 5% inflation rate will go to 6.5% as a result of the cold and drought. (As I type this I am thinking that the wholesale price index for April was about 13% annual rate.) Higher interest rates are expected in 1978. Unemployment will drop from 7 1/2% to 7%. Unemployment cannot go below 5%. A suggestion he heard involved reducing unemployment by inviting business to hire more people and take a tax credit on \$4,000 of the salary paid.

With regard to the small business subject, which was his topic for the evening, he said that 95% of the businesses in the United States are considered small by the definition which includes less than 500 employees, etc. Small business employs over half the people and over half the sales receipts are in small business. (I wonder if he meant number of sales or dollar volume.) The tax system makes it difficult for a small business to generate capital, and the alternative is to merge with a bigger company--which is what he has done with Statitrol.

While I hung on Mr. Pearsall's every word as he told his story, I felt depressed by the stumbling blocks that government regulation puts in the path of the small businessman. No wonder so many of them fail. Laws, I suppose, are enacted to control the 5% big business; and the 95% small business is stuck with the same regulations.

SESSION 5: Duane Pearsall

One of the most enjoyable and informative speakers of the class is my opinion of Mr. Pearsall. His actual "hands-on" experiences in the day-to-day business world were fascinating to listen to. He brought up excellent points in regard to problems that small businesses face in raising capital. His "decision points" or steps in deciding to open a business were also very realistic.

March 8th SMALL BUSINESSES - Mr. Duane Pearsall

Mr. Pearsall's lecture was very entertaining. The irony of the session was Mr. Pearsall's fight for the survival of the small businessman when he had to sell out because of the stiff competition. Mr. Pearsall blames the stiff competition to government's intervention and regulation of the market system. I view Mr. Pearsall as a Don Quixote fighting windmills - bureaucratic government and multi-corporations.

One of Mr. Pearsall's example of government restrictions on the small businessman was minimum wage which he says is very destructive to small business. My concern is that the non-union workers rely on minimum wage. I view non-union workers as a way out of our "cost-push" inflation caused by bilateral monopolies (industrial concentration and strong union organization).

Again, the realization being that the corporate market system is the only system that will survive government's regulation (OSHA), not to mention the theory of "economies of scale".

March 8 - Duane Pearsall

Mr. Pearsall was outstanding. He clearly presented the small businessman's point of view. I thought it was especially significant that 95% of all businesses are still "small" and that one-half of the people are employed in small businesses. He presented a clear case for the small businessman when he is dealing with government regulations.

Mr. Duane Pearsall, Pres. of Statistical
Unfortunately I missed this session.
I was giving a speech at the Arvada
Scepticist Club. I did however read the
note from another student in the class and
from those plus the enthusiasms by which
others spoke of him, I believe I missed
the best session so far.

Mr. Pearsall, from what I have
ascertained, was at the grass-roots of a small
business and the consumer. I sounded as
though he was enthusiastic and well
spoken. Again I wish I could have heard
him, I'm sure he had a lot of information
I could have learned.

#5 Duane Pearsall

- One of the best presentations. This was a
meat and potatoes presentation that had great
impact on the participants. The experiences
of a small businessman were well presented
and well received. Superior.