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Senate

THE SMALL BUSINESSMAN OF THE YEAR AWARD

Mr. HASKELL. Mr. President, I would like to offer a few observations for the record on the role of small business in this country. Particularly, I would like to congratulate Mr. Duane Pearsall, the president of Statitrol Corp., of Lakewood, Colo., for his receipt of the Small Businessman of the Year Award.

Mr. Pearsall's company is a pioneer and an innovator in the field of electronic smoke detection. Five years ago only 5,000 of these lifesaving devices were marketed. This year 3 million will be sold.

I had the pleasure of meeting Mr. Pearsall in my office last week during the National Small Business Week. This was our second opportunity to discuss matters of importance to the small businessman and again I was impressed with his broad perceptions of the problems confronting our Nation. I would like to share some of his thoughts with my colleagues.

Mr. Pearsall raised an issue that we hear daily in this Chamber—the burden of paperwork and regulation which is burving the small entrepreneur. He noted that the pile of documents necessary for securing a SBA loan were 8¾ inches thick. Now, Mr. President, I believe the SBA has to be cautious with the use of the public's money. But 8¾ inches of documentation is astounding.

Next, Mr. Pearsall suggested that the public has a distorted view of the free enterprise system. People misunderstand the function of profits, the democracy of the marketplace, and the need for a healthy investment environment.

There is a rising tide of antibusiness in this country. People do have a right to express their dissatisfaction with shoddy products, depersonalized service, and tremendously concentrated control of wealth which giant corporations give us. But I think that we are in danger of throwing the baby out with the bathwater. We must spread the word that the answer is not a wholesale attack on business but a conscious, concerted public effort to nourish an alternative to depersonalizing megabusiness. That alternative is the community-minded small and medium sized businessman. He is the last bastion of the real free enterprise system in this country.

When the oil companies control 50 percent of our coal reserves and the price

of coal skyrockets right along with oil prices, I ask myself where is the free enterprise system? When Exxon has sales of nearly \$50 billion in 1 year, I wonder how one starts an oil company that can compete with them. According to Bradford Snell, counsel to the Senate Antitrust Subcommittee, Firestone, General Motors, and a variety of oil companies acquired trolley and intercity rail operations during the 1930's, 1940's, and 1950's.

These means of transportation which offered the consumer an alternative to auto transport were then closed down by G.M. and its highway interest partners. Los Angeles, which once had the most highly developed intracity and intercity rail system in this country, is an example of what happened to our cities when the only viable form of transportation was the auto. The smog in Los Angeles is an example of what happens when the consumer is denied the benefit of choice and competition, when the free enterprise system is overwhelmed by the power of concentrated wealth.

I think it is time to bring our anti-trust laws out of mothballs. And I think it is time we change the tax system in this country so that it benefits the small businessman, not the big businessman. In fiscal year 1977 corporate tax breaks of the investment tax credit will cost \$7.5 billion. According to the Department of the Treasury 0.4 percent of the Nation's corporations will collect 73 percent of the credit. Similarly, the asset depreciation range system will cost \$1.5 billion. Any small businesssma can tell you that small businessmen do not use ADR. It is too complicated for them to bother with. These Government subsidies make competition even harder for the small businessman because they directly reduce the big corporations' cost.

Now if we took some of this money and reduced the corporate tax rate at the bottom—where it would benefit the small guy—then we would be taking a major step in saving the free enterprise system from monopoly, and the government regulation that follows. I intend to introduce several pieces of tax legislation designed to benefit the small businessman. I hope my colleagues will support these efforts.

Mr. Pearsall is a conservative Republican. Yet we agreed on every issue we discussed. We agreed that social security is a regressive tax, since upper income people pay at the same rate as low-income people. We agreed that the Nation must provide social services for those in need, especially working mothers.

I think we were discussing issues which have a broad nonpartisan appeal. People want a decent, fair Government. They want the Government to help those who legitimately need financial assistance. They object to people who milk the system—both the wealthy and the powerful and the lazy and immoral.

People are tired of absentee big government and absentee big business. They support free enterprise in its true sense—small units of production which offer personalized service and which have a commitment to the local community.

★ Mr. President, Duane Pearsall impressed me as a man who had his finger on the pulse of America and I hope that we can turn our attention to the issues he raises as a concerned small businessman. ★