



SECURITIES AND EXCHANGE COMMISSION

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COMMISSION SPONSORS GOVERNMENT-BUSINESS FORUM ON SMALL BUSINESS CAPITAL FORMATION

Problems associated with raising capital for small business will be the subject of the first SEC Government-Business Forum on Small Business Capital Formation. Small business is the seed bed of new innovative businesses, and therefore a matter of national concern and public interest. Capital for small business is relatively scarce; hence, its formation will be the focus of the Forum.

The Small Business Investment Incentive Act of 1980 directed the SEC to conduct an annual government-business forum on small business capital formation. This Forum presents a unique opportunity for small businesses, government regulatory agencies and private sector organizations interested in small business to gather and discuss the existing impediments to small business capital formation.

The Forum will be held at the Sheraton-National Hotel in Arlington, Virginia on September 23-25. Members of the press are invited to attend luncheons on September 23 when Mr. Lyle Gramley, a Governor of the Federal Reserve System, will speak, and on September 24 when Congressman Henry Nowak, Chairman, Small Business Subcommittee on Tax, Access to Equity Capital and

Business Opportunities will address the participants. They are also invited to attend the opening session on September 23, and the concluding session on the morning of September 25 when recommendations will be presented calling for appropriate action by Congress or government agencies to improve the climate for capital formation.

Chairman John S.R. Shad has chosen Commissioner John R. Evans as Chairman of an Executive Committee to conduct the Forum. The Executive Committee is comprised of designees from federal agencies and such private sector organizations who have an interest in small business.

A survey, conducted by Professor Jerry Arnold of the University of Southern California, has assisted the Executive Committee. The results of this survey of 1400 chief executives of small businesses have defined some of the major issues to be considered at the Forum. The four general categories for the issues were: (a) income taxation; (b) securing credit from banks; (c) access to financial institutions and (d) raising capital. Upon the basis of the categories, task forces were formed to develop discussion papers to identify specific problems encountered by small businesses in their attempts to raise capital and to analyze and present solutions to each of the specific problems. These papers and other issues that may be raised by the participants will be discussed at the Forum with the intent of developing specific recommendations.

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