



SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

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FOR IMMEDIATE RELEASE:

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SEC INVITES COMMENT TO EXPLORE PROBLEMS OF SMALL BUSINESS

An unusual series of local forums conducted by representatives of several federal agencies and of private sector organizations will provide an opportunity for people in local small business communities to explain the problems they have in trying to raise capital.

The Securities and Exchange Commission Government-Business Forum on Small Business Capital Formation, a Congressionally mandated inquiry, will hold a round of informal hearings in the Washington, D.C. - Baltimore area, in Houston, in St. Louis, in San Francisco and in Boston in order to provide an opportunity for people in the local small business community to be heard. Executives of smaller companies based locally, bankers, financial advisers, venture capitalists, institutional investors, (i.e., pension funds, insurance companies, and others), accountants, attorneys, academics and others involved in seeking or providing capital to small business are being sought to testify. Particular attention will be given to testimony from small business entrepreneurs. They will have the opportunity to present their views on problems and suggested solutions in such areas as tax provisions; extension of credit; access to financial institutions; and raising capital through the sale of securities.

Small business provides more than two out of three new jobs and accounts for 38 percent of the Gross National Product in the U.S. It is also the well-spring of technological innovation. Congress in 1980, therefore, in the Small Business Incentive Act directed the Securities and Exchange Commission (SEC) to conduct a program annually that would further the dialogue between government and the private sector with regard to difficulties faced by small businesses in raising capital. The Forum is unique in that it brings together a wide range of interests from a variety of government agencies and many segments of the business and financial communities.

Although the SEC's responsibilities relate principally to the sale of securities, the Forum is designed to explore the whole range of issues relating to small business capital formation. Last year, for example, the Final Report sent to Congress by the first Forum contained 37 recommendations ranging from kinds of securities to issues of tax, credit and access to financial institutions. These recommendations have become the genesis of a number of bills currently being studied in Congress and are the subject of considerable legislative and regulatory activity.

This year's Forum will focus on local small business communities through hearings in Washington, D.C. during the week of June 6th and four other cities - Houston (June 13th week), St. Louis (June 20th week), San Francisco (June 27th week) and Boston (July 11th week). Each hearing will be conducted by a panel of Executive Committee members (list is attached) including representatives of key federal agencies and departments. Although the focus will be on the local small business community, any person with an interest in small business problems is encouraged to make a presentation.

The results of each round of local hearings will be summarized in a report to Congress from the Executive Committee, which will include proposed changes in laws and regulations. The report, which will also be presented to appropriate regulatory agencies, is intended to provide guidance in policy decisions affecting small businesses throughout the 1980's.

Individuals or groups wishing to testify at the hearings should contact the Forum's staff as soon as possible. Inquiries should be directed to:

1983 Small Business Forum
Office of Small Business Policy
U.S. Securities and Exchange Commission
450 Fifth Street, N.W.

Stop 3-11
Washington, D.C. 20549

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