

Washington, D.C. - uring this afternoon's floor debate on H. Res. 22, the Small Business Bill of Rights, US Rep. David Price (NC-04) urged the House Republican leadership to "put their money where their mouth is" and start showing real support for North Carolina's small businesses.

In particular, Price focused on the Bush Administration's zeroing out of the subsidies for the very successful 7(a) small business loan program, which has generated billions of dollars in jobs and growth for our economy.

The President and House Republican leadership eliminated federal subsidy funding for this loan program last year, opting instead to pass costs along to small business owners with significant increases in fees. This is proving to be a hardship for North Carolina small business owners:

-- Last year, the Small Business Administration (SBA) approved 1,264 7(a) loans in North Carolina. This year, only 437 North Carolina businesses are approved for loans. That means that our state will likely receive a third fewer loans this year. Small businesses owners have told Price that the primary reason for this drop off is the new fees.

-- For smaller loans, the administration has raised upfront fees by nearly \$1,500. For the largest loans, fees are now over \$50,000.

The text of Price's remarks follows:

Mr. Speaker, it is ironic -- or perhaps "hypocritical" is the right word -- to be passing a "Small Business Bill of Rights," when in fact, our Republican friends are gutting the very programs that support small businesses.

We will likely pass this so-called "bill of rights," but the danger in this Congress is that this will become a smokescreen for inaction, or worse.

The Bush Administration can find a trillion here and a billion there for tax cuts of questionable benefit to our economy.

But they can't find the funds necessary to help our small businesses that have, time and again, proven their power to create jobs and spur economic growth.

The SBA budget proposed by President Bush would provide the SBA with just over half the funds they had during the final year of the Clinton administration. That's like taking money right out of the pockets of our small business owners.

One out of every three small business loans has been provided under 7(a). Last year, the Bush Administration eliminated funding to subsidize this critical program, and for the life of me, I cannot figure out why.

The return on this government investment has been staggering. In 2004, 7(a) loans returned an estimated \$12 billion dollars on an \$80 million investment. That is more than a hundred-fold return to the economy. It does not take a genius to recognize that is good business -- and good sense.

But despite this, the President thinks it's not the government's job to support this program. Instead, he's passing the cost along to small business owners, significantly raising the fees they pay to use it – up to \$50,000 in some cases! That's quite ironic, coming from a President who claims that any change in his tax policy will stall our economic recovery!

Mr. Speaker, Democrats understand small businesses and their need for accessible capital. In vote after vote, we are willing to support this vital sector of our economy.

If the Republican leadership of this body feels the same, I suggest they stop wasting time with feel-good resolutions...and start putting their money where their mouth is.

###