

Statement from George Cloutier

April 1, 2008

## **Fed Gives \$260 Billion to Wall Street and \$0 to Main Street**

***How Come the Fed Does Not Open the Taxpayers' Borrowing Window to the Small Businesses that are Overleveraged, Struggling to Get By, Experiencing Problems, and Having Less than Perfect Management, Just Like the Bankers and Investment Bankers that are Getting Hundreds of Billions of Dollars to Bail Out Wall Street Incompetence. Bailout the Privileged Few and Forget Main Street?***

As small business owners around the country continue to struggle to keep their businesses afloat, U.S. taxpayers are being asked to spend 30 billion dollars to bail out investment banks such as Bear Stearns. The Federal Reserve has even called upon for an additional 250 to 350 billion dollars to bail out Wall Street's stupidity.

Who is bailing out Main Street? Where is the Federal Reserve, this Administration, our Congress and the Small Business Administration when it comes to helping out our 23 million small business owners around the country who are currently suffering during this economic recession?

Investment banks are getting loans at low interest rates as a result of the Federal Reserve and the Administration getting involved. Yet when it comes to small businesses, they get the short end of the stick. Where's the equity? Small businesses should get 100 percent direct and guaranteed loans from banks. We need to even out the playing field before it's too late.

How can small business owners in this country count on Washington D.C. to do anything for them. Our leaders in the Federal Reserve, this Administration, the Congress and the Small Business Administration have no small business experience.

Steve Preston has never started a small business himself or owned a small business, while leading a federal agency that is supposed to help out and be the eyes and ears of small businesses communities all around the country. Yet, he is running an agency devoted to entrepreneurs. How does a leader of a federal agency, who came from a Fortune 500 company, understand and work on the issues that the average small business owner faces on a day-to-day basis?

Something doesn't make sense here. Why has the SBA budget been cut 40 percent since 2000? Instead of having a small-business owner run a federal agency that is supposed to be helping small-business owners, all we have is another creature of big business and Wall Street running an agency that is supposed to be helping the little guy.

It's time for things to change. Washington should support small-business programs because entrepreneurs constitute a vital and under-served sector of the economy. Washington needs to start demanding that everyday people have access to capital.

A 100 million dollar increase in next year's SBA's budget is ridiculous, when compared to the billions and billions of dollars that we are giving to Wall Street to bail them out.



For example, the much talked about economic stimulus package that dominated news coverage earlier this year is worthless. How does a stimulus package that provides tax credits to few, if any small business owners exactly help out our small businesses, especially when the rebates only become available in 2009 after filing your 2008 taxes. How does receiving a small rebate check in 2009 exactly help a small business owner in 2008 who is about to see his or her business go under?

Just another example of DC and Wall Street trying to put the wool over our eyes by offering empty slogans and statements.

It's time that officials in Washington D.C. paid attention to the issues and concerns of Main Street.

Small businesses are the driving force behind our economy, supplying 99.6% of all employer units and directly effecting close to 50 million adults. I think it's about time that small businesses get the help that they need. That means no more empty rhetoric but real action and real substantive steps that need to be taken to help out the 23 million small business that are currently struggling to survive in a troubling economy.

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