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Senate

Mr. TSONGAS. Mr. President, it is with great pleasure that I take note of the President's signing of the Small Business Innovation Act. The passage of this bill is a clear demonstration of this Government's belief in the unique productiveness of the small business community. The level of commitment it represents stems from a confidence in the special role the small business community plays in generating the new ideas needed to fuel tomorrow's economic growth. A flourishing small business community full of new firms with new products and ideas offers us the greatest prospects for significant economic growth.

Earmarking a small percentage of research and development budgets of Federal agencies acknowledges the fact that it takes more effort to work with a number of small firms than with a handful of larger organizations. This bill creates the administrative incentive to make that additional effort. I am convinced we will find this extra effort well rewarded by a high return in innovation and job creation.

Concern has been expressed that this measure will result in harmful cutbacks in research and development funds to other nonprofit research organizations like our universities. I believe these sentiments are more a product of the prospects of cutbacks in

overall civilian research and development budgets.

The percentage earmarked for small businesses in this legislation is small: 0.1 percent in the first year; 0.3 percent in the second year; 0.5 percent in the third year; 1 percent in the fourth year; and 1.25 percent in all subsequent years.

During this 5-year phase-in, I urge all of my colleagues to work to diminish the concerns of the university community by reversing the dangerous trend of reductions in research and development budgets. These cutbacks are the worst form of false economy. When we reduce our financial commitment to research and development we reduce our investment in a brighter economic future.

There can be no more discouraging sign of our commitment to long-term economic growth than finding the sources of tomorrow's wealth, the research and development community, reduced to struggling over a shrinking pie of financial commitment. By passing this legislation we have affirmed our commitment to the small business community. I would like to encourage my colleagues to follow this action by redoubling our commitment to the larger research and development community.

I would like to close by thanking a few of my colleagues for their special efforts on behalf of this legislation. Senators RUDMAN, WEICKER, NUNN, HUDDLESTON, KENNEDY, and LEVIN all deserve particular credit for their vigorous and longstanding efforts on behalf of this legislation.