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Political Tittle-tattle: News and Entertainment from Hawaii's Political Arena - Jan. 16, 2004

Small Business Hawaii Hosts First Major Business and Investment Conference of 2004; Case Calls on Small Business Community, Free Market Advocates, Lawmakers to Support Repeal of Jones Act; Governor's Administrators Outline How Business Climate is Improving; Small Business Owners Share How They Became Successful; Governor Says Good People are Bringing Positive Change; Well-Known Economist Says Hawaii is in Prime Spot to Reform Business Climate, Create More Success Stories; Award Winners Announced

By Malia Zimmerman, 1/16/2004 8:52:36 AM

Small Business Hawaii Hosts First Major Business and Investment Conference of 2004

Small Business Hawaii hosted its 28th annual business and investment conference on Wednesday, bringing more than 250 small business owners together with Gov. Linda Lingle and several of her key cabinet members who outlined their plans to better Hawaii's business climate and their progress over the last year.

Though Hawaii has been ranked dead last in several national studies over the last few decades in terms of business climates friendly to business, the governor and her cabinet members pledged to reform the policies, rules, regulations, mandates and taxes that have earned Hawaii that notorious rating.

Also at the conference -- Congressman Ed Case, D-Hawaii, Second District, who spoke about his role on the small business and education committees in the U.S. House of Representatives, and his bill to amend or abolish the Jones Act, which increases the cost of goods imported to and exported from Hawaii.

Keynoting the conference was John Rutledge, chairman of Rutledge Capital, a private equity investment firm that has invested more than \$150 million in the middle market manufacturing, distribution and services companies. In addition to also being chairman of Rutledge Research and founder of the Rutledge Institute, a forum for capital and growth policy, Rutledge serves as an economic advisor to President George W. Bush and developed economic policy for President Ronald Reagan.

A number of business owners also were recognized for their success and asked to share their experiences during the "Small Business Stories" segment.

Well-Known Economist John Rutledge Says Hawaii is in Prime Spot to Reform Business Climate, Have More Success Stories

Wrapping up the Small Business Hawaii conference was John Rutledge, an economist who is chairman of Rutledge Capital, a private investment firm that has invested more than \$150 million in middle market manufacturing, distribution and service companies. He also is chairman of Rutledge Research and founder of the Rutledge Institute, a forum for capital and growth policy. Rutledge, who gives lectures around the world on global economics, financial markets, investment strategies, technology and the economy, as well as how to grow your business, says Hawaii has the greatest opportunity in the world. Businesses that have survived in the hostile business climate in Hawaii can now look forward to more prosperity, as the reforms planned by Lingle's directors are put into place.

Rutledge, who serves as an economic advisor to President George W. Bush and did so during the Reagan years as well, shared his view on the reforms now taking place in Iraq, Ireland and Oklahoma, three places he's acted as a consultant.

Like Lingle, he emphasized the importance of education for both children and adults, and says technology is an important part of that education, including making sure schools are wired with high-speed access, so kids can have their eyes opened to the world around them.

He says one quick way to see what kind of economy a state or country has is to look at whether people are exported or imported and at what rate. (Hawaii lost 100,000 residents from 1990 to 2000, which is a bad sign for Hawaii.) Rutledge, a consultant in Ireland, says the country's leadership was able to stop the best and brightest from moving away by ensuring state-of-the-art communications were in every home, the economy improved, the cost of living was lowered through tax decreases, and there is better training locally. The leadership also recruited bright minds from around the world and imported them to Ireland. These are steps Hawaii also can take, he says.

He also encouraged the small business people in attendance to:

- Be dreamers and have faith because "you've got to be a dreamer if you are going to build anything;"
- Look for and be leaders with character;
- Know how to move capital;
- Work to reform the really troubling aspects of operating a business, such as workers' comp and tort reform;
- Know some of the most important economic activity in the world is going on in China and to pay attention to that;
- Take lots of chances, because it is OK to fail, and not OK to let the opportunities pass you by.