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UNTIL 6:00 A.M. E.D.T.

June 17, 1975

Office of the White House Press Secretary

THE WHITE HOUSE

TEXT OF REMARKS BY THE PRESIDENT
TO BE DELIVERED TO THE
WASHINGTON CONFERENCE OF THE
NATIONAL FEDERATION OF INDEPENDENT BUSINESS
WASHINGTON HILTON HOTEL
June 17, 1975

I welcome this opportunity to be here today -- to exchange views and feelings with this distinguished cross-section of what has come to be known as the small business community. Personally, I've always been a little amused by that term "small businessman" -- and a few years ago, after a meeting like this, I asked one of the speakers what his definition of a big businessman would be. He said, "Congressman, it's very simple. A big businessman is what a small businessman would be -- if the government would ever let him alone!"

I want small business to grow. America's future depends upon your enterprise.

I want small business released from the shackles of Federal red tape. Your efforts are stifled by unnecessary, unfair and unclear rules and regulations.

I want small business freed from excessive Federal paperwork.

Your time can be used far more productively.

In the months ahead, we face a critical choice: Shall business and government work together in a free economy for the betterment of all? Or shall we slide headlong into an economy whose vital decisions are made by politicians while the private sector dries up and shrivels away?

My resources as President -- and my resolve as President -- are devoted to the free enterprise system.

I do not intend to celebrate our Bicentennial by reversing the great principles on which the United States was founded.

The increasing growth of government, and the escalating interventions with which you are all too familiar, dramatize the need to keep Federal authority within reasonable bounds.

I see a direct connection between the spirit of the American Constitution and a competitive, privately-oriented economy.

In the last few years, the estimated 10 million businesses in America -- from Mom and Pop stores to huge corporations -- have struggled to adapt to consumer protection laws, to environmental mandates, to energy shortages, to inflation, to recession and to complicated and high taxation.

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Depending upon their size and resources, some businesses can survive over-regulation better than others. Larger corporations have specialized staffs of accountants and attorneys. Small businesses have nobody but themselves.

Businesses -- large and small -- look with dismay at the fantastic pace of government spending. They foresee an end to individual initiative in American life, a government turned into an instrument of philanthropic collectivism, a legislated redistribution of wealth and income and the prospect of productive citizens required by law to support a growing number of non-productive citizens.

If that day ever comes, the foundation of our free society will be gone. The America we know will be no more.

I will do everything I can as President to curtail such centralization in Washington and such rigidity in government.

I will continue to use my veto power to stem the escalation of Federal programs and agencies.

A responsible society must do for certain individuals what they cannot achieve alone. But that is a far cry from the runaway spending that confines government to no boundary, that undermines individual incentive, that penalizes hard work and excellence and that destroys the balance between the private and public sectors of American life.

It took Americans over 180 years to reach our \$100 billion Federal budget. Nine years later, 1971, the budget rose to \$200 billion. This year, it will go far over \$300 billion. And within just two more years, at the present rate of spending, the budget will exceed \$400 billion.

From my travels throughout America, from my meetings with citizens from all walks of life, I can say this with conviction: Americans have not arrived at a popular consensus for collectivism.

We have held no referendum to repeal our economic freedom.

Quite the opposite is true. Americans are proud of our system and pleased with what it has produced.

Yet, if we continue toward bigger government, Washington will become the big daddy of all citizens.

If the power to tax goes unchecked, it will inhibit capital formation for business and incentive for workers. And we can say goodbye to the free enterprise system.

I am pleased to be here today because you are the frontline in the struggle to preserve the private sector.

You are protecting a society that still cherishes excellence and still values freedom.

You are painfully aware that a government big enough to give us everything we want is a government big enough to take from us everything we have.

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I do not accept a scenario of doom and defeat. We have just begun to fight for a new balance between the public and private elements of our society.

It is the determined intention of this Administration to review every single proposal for government action -- whether in taxation or regulation or any other area -- in light of what it will do to free competition and individual liberty.

This review will apply equally, across the board, to corporations that seek special anti-competitive and monopolistic advantages from the government as well as to radical social theories that would collectivize American life.

Those who express disdain for profits and distaste for free competition propose nothing in their stead. American achievement under the free enterprise system remains the envy of the world. I intend to do what I can to keep it that way.

Difficulties sometimes accompany advantages in any system where individual freedom of choice and action prevail. There are tests of survival imposed by the free market place as a consequence. There are bankruptcies. There are spells of unemployment. There are periods of rapid change and a temporary slow down. Nevertheless, the march toward a better life, and expanded freedoms, has continued in America for 200 years.

I see small business as the bulwark of free enterprise.

You offer opportunity to our young people. Their ideas can get to the boss quicker. Their efforts are more rapidly recognized -- and rewarded. And they can realistically work toward the day when they will start their own businesses. Young men and women can take their fate into their own hands and make their own future. They will find small business the best training ground for leadership, for responsibility and for independence.

Your businesses are vital to America's future.

You account for 43 percent of the gross business product. You provide 51 percent of the private sector's labor force.

For America's sake, I want you to succeed.

To restore a healthy business climate throughout America, to fight recession and to curtail inflation, I have started a process of regulation reform. The time has come to cut the Federal red tape that binds the hands of small business.

Let me share some memories from my own personal background. My father founded a small business, the Ford Paint and Varnish Company in Grand Rapids. A few weeks after he went into business, the economic crash of 1929 struck. My father persevered to keep our little paint factory going. As a boy, I mixed paint and labelled cans. But he sold the paint. And he was his own bill collector. If my father had to fill out today's forms and comply with the maze of rules and regulations now in effect, he would have had no time left to sell paint.

When I think of the enterprising spirit that makes America great, I think of my father and of how the Ford Paint and Varnish Company survived the 1930's.

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Although most of today's regulations affecting business are well-intentioned, their effect, whether designed to protect the environment or the consumer, often does more harm than good. They can stifle the growth in our standard of living and contribute to inflation.

When we consider revisions in these regulations, we must consider the case of those who may be injured by regulatory modifications. Our system can and will make needed changes which are fair to all.

We cannot eliminate all regulations. Some are costly but essential to public health and safety.

Let us evaluate costs and benefits. The issue is not whether we want to control pollution. We all do. The question is whether added costs to the public make sense measured against actual benefits.

As a consumer, I want to know how much the tab at the front door check-out counter is raised through the back-door of regulatory inflation. And as President, I want to eliminate unnecessary regulations which impose a hidden tax on the consumer.

Over a period of 90 years, we have erected a massive Federal regulatory structure encrusted with contradictions, excess and rules that have outlived any conceivable value.

Last Friday, I met with the leaders of the Congress to seek cooperation in eliminating regulations which do more harm than good. I will meet next week with members designated by the Congress to establish legislative priorities. Then I will meet with the Commissioners of ten independent regulatory agencies on the need to improve their regulations and procedures.

I have set up a special White House group to work with the Congress and the regulatory agencies to accomplish this. Particular emphasis will be placed on the impact of Federal regulations on a free economy and on the life of the individual citizen.

In recent months, I have submitted a Railroad Revitalization Act, the Financial Institutions Act and the Energy Independence Act. I have supported legislation to remove the antitrust exemption for State Fair Trade laws and signed the Securities Act Amendments of 1975. Also, I have asked the Congress to establish a National Commission on Regulatory Reform.

These actions respond to the need for real economic growth. Real growth depends upon productivity. We must free the business community from regulatory bondage so it can produce.

I say to the businesses represented here today: I hear your cries of anguish and desperation. I will not let you be suffocated.

My concern is not only for the consumer and the producer but for the millions whose employment depends upon your enterprise.

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I want an end to unnecessary, unfair, and unclear regulations -- and to **needless paper work.**

The number of different Federal forms sent out from Washington, at last count, totalled 5,146. America is being buried by an avalanche of paper.

The Congress has created a Federal Paperwork Commission to simplify and reduce the enormous clog of Federal forms and documents. Today, I am appointing the members of the Commission.

They will include the Secretary of your own organization, the National Federation of Small Business' to represent your interests. I refer to Bruce G. Fielding of California.

I am also appointing other outstanding members including representatives of State and local government, labor, education, and consumer interests. Their names will be announced later today.

Small business **has** made tremendous strides. Let's work together for an even greater future. I ask for your suggestions and your criticisms. My door is open. Let us continue working together.

I am delighted to learn of the latest quarterly survey just prepared by your Federations' research experts. It reports that small business has a sense of optimism for the coming six-month period. Since small business exercises such a stabilizing influence on recession, that is a good sign for all Americans.

The worst recession since the 1930's is coming to an end. In addition to your new findings, there are other good signs:

- Consumer confidence is up and retail sales are increasing.
- Sales rose 2.2 percent in May.
- Inventories are down.
- Employment went up by 553,000 between March and May.
- The inflation rate is continuing to fall. This year's rate, to date, is down from last year's 12 percent to about 6 percent.
- Interest rates are down.
- Housing is showing strong signs of recovery with a 27 percent increase in building permits in April.
- Orders for plant and equipment in April were up more than 15 percent over March.
- Altogether, the Commerce Department's leading indicators were up 4.2 percent in April.

Some indicators will continue depressed for a few months because they record only what is past. But I am confident that we are at the bottom of the economic slide. And we will soon be on our way up!

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Now is the time to chart the right path back to prosperity without inflation and with growth. Sound economic recovery depends upon moderation in economic expectation, fiscal restraint by government, increased savings and capital investment and a long-range plan for energy independence as well as improved regulatory policies.

Small business knows that the old-time virtues must temper the tendency of our government to do all things for all humanity. This desire has resulted in Federal deficits in 13 out of the last 15 years.

Our national focus has been on recovery. Now, we seek recovery without inflation.

I have confidence in our economic future because I have faith in the American people.

And I assure each of you here today: Although your business may be small, I will do my part to help you make it big by getting government off your back.

I thank you.

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