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THE WHITE HOUSE

REMARKS OF THE PRESIDENT  
AT THE  
NATIONAL FEDERATION OF  
INDEPENDENT BUSINESS CONFERENCE

THE WASHINGTON HILTON HOTEL

10:04 A.M. EDT

Members and guests of the National Federation  
of Independent Business:

I welcome the opportunity to be here today and I thank you for your more than generous welcome. I appreciate the opportunity to exchange some views and some feelings with this very distinguished cross-section of what has come to be known as the "small business community."

Personally, I have always been a little amused by the term "small businessman." 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 is very simple. A big businessman is what a small businessman would be if the Government would ever let him alone." (Laughter)

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 tremendous efforts are stifled by unnecessary, unfair and unclear rules and regulations.

I want very desperately to have small business freed from the excessive Federal paperwork. Your time can be used far more productively, and you know it better than I.

In the months ahead, we face a very 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?

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

Let me assure you without equivocation, 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 ten million businesses in America -- from mom and pop stores to huge corporations -- have struggled to adapt to the consumer protection laws, to environmental mandates, to energy shortages, to inflation, to recession and to complicated and high taxation.

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

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

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

I can assure you I will do, as President, everything to curtail such centralization in Washington, as well as elsewhere, 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.

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But that is a far cry from the runaway spending that confines Government to no boundary, that undermines individual initiative, that penalizes hard work and excellence, that destroys the balance between the private and public sector of American life.

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

From my travels around 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 to bigger and 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 that has given us so much.

I am extremely pleased to be here today because you are the frontline in the very crucial struggle to preserve the private sector. Actually, 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.

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 regulations, or in any other areas, 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 anticompetitive and monopolistic advantages from the Government as well as to radical social theories that would collectivize American society and American life.

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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 for the benefit of future generations.

Difficulties sometimes accompany advantages in any system. Where individual freedom of choice and action prevail, there are tests of survival by the free marketplace as a consequence.

There are bankruptcies, there are spells of unemployment, there are periods of rapid change and temporary slowdown. Nevertheless, the march toward a better life and expanded freedom has continued in America for 200 years.

I see small business as the bulwark of free enterprise. You offer opportunity to 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 business.

Young men and women can take their faith into their own hands and make their own future. They will find small business the very best training grounds for leadership, for responsibility and for independence.

Your businesses -- and there are many, many more besides those represented here -- 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, the present and future, 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 Federal red tape that binds the hands of small business.

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Let me share some memories from my own personal background. My father started a small business, the Ford Paint and Varnish Company in Grand Rapids, Michigan, a good many years ago. A few weeks after he went into business, the economic crash of 1929 struck. My father persevered to keep our little family paint factory going.

As a youth I mixed paint and labeled cans. But he sold the paint and he was his own bill collector. Let me say, 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 or collect bills.

When I think of the enterprising spirit that makes America great, I think of my father and how the Ford Paint and Varnish Company survived in the 1930's. And believe me, it wasn't easy.

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 and 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. Obviously we cannot eliminate all regulations. Some are costly, but essential to public health and public safety.

But let us evaluate the costs as well as the benefits. The issue is not whether we want to control pollution -- we all do. The question is whether added costs to the public makes sense when 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. As President, I want to eliminate unnecessary regulations which impose a hidden tax on the consumer.

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

Last Friday I met with the leaders of the Congress, House and Senate, Democratic as well as Republican, 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 the ten independent regulatory agencies on the need to improve their regulations and their procedures.

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I have set up a special White House group to work with the Congress and the regulatory agencies to accomplish this long overdue and highly desirable objective. 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 exemptions from 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, as you know, as I know, depends upon productivity. We must free the business community from regulatory bondage so that it can produce.

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

My deep personal concern is not only for the consumer but for the millions whose employment depends upon your enterprise. I want an end to unnecessary, unfair, unclear regulations and needless paper work.

The number -- this is hard to believe, really -- the number of different Federal forms sent out from Washington at last count totalled 5,146.

Quite frankly, America is being buried by an avalanche of paper.

The Congress has created a Federal Paperwork Commission to simplify, to reduce the enormous clog of Federal forms and Federal documents. Today I am appointing the members of this Commission. Its membership will include the Secretary of your own organization, the National Federation of Independent Business to represent your interests. I refer, of course, to your good friend Bruce Fielding of California.

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I am also appointing to this group other outstanding members, including representatives of State and local governments, labor, education and consumer interests, and I think Mr. Fielding will well and faithfully carry out your representation.

Despite the handicaps, small business has made tremendous strides. Let's work together for an even greater future, and I ask for your suggestions; yes, your criticism. My door is always open to people who are strong and visionary, like yourselves.

I am delighted to learn of the latest quarterly survey just prepared by your Federation's research experts. It reports that small business has a sense of optimism for the coming six-month period.

Since small business has such a stabilizing influence on recession, I think this is a good sign for all Americans.

The worst recession since the 1930s is coming to an end. There are good signs, and let me tick them off quickly for you.

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 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 21 to 27 percent increase in building permits in April, and I am told there will be some further encouraging statistics released later today.

Orders for plant and equipment in April were up more than 15 percent over March. Altogether, the Department of Commerce indicators were up 4.2 percent in April.

Obviously, some indicators will continue to be 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.

Now is the time, as I see it, to chart the right path back to prosperity without inflation and with real economic growth.

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Sound economic recovery depends upon moderation and economic expectation, fiscal restraint by the Government, increased savings in capital investment and a long-range plan for our energy independence, as well as 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 of the last 15 years.

Our national focus has been on recovery, but we must make sure, we must be positive, that the recovery now in sight is not accompanied by a new round of higher and higher inflation.

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

I assure each of you here today, although your business may be small, I will do my part to help each and every one of you make it big by getting Government off your back.

Thank you very much.

END (AT 10:31 A.M. EDT)