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THE WHITE HOUSE

EXCHANGE OF REMARKS
BETWEEN THE PRESIDENT
AND
MITCHELL KOBELINSKI
AT HIS SWEARING-IN
AS
ADMINISTRATOR OF THE
SMALL BUSINESS ADMINISTRATION

THE STATE DINING ROOM

2:08 P.M. EST

THE PRESIDENT: Mr. Justice Stevens, Mr. Kobelinski, special guests, ladies and gentlemen:

It is a great privilege and pleasure to see all of you here and have you participate, as I am, in the swearing-in of Mitchell Kobelinski to be the Administrator of the Small Business Administration. Because of the importance of the role of the small business organizations throughout the country, the part they play in the growth, the vital economy, I greatly welcome a man of Mitchell's outstanding talent and accomplishment to head the Small Business Administration.

Many of you know, since July of 1973 Mitchell has served as a member of the Board of Directors of the Export-Import Bank of the United States. Before that he distinguished himself in business as well as in banking in the communities in and around the City of Chicago, and now he brings his expertise and experience to this very key position in the Federal Government.

In addition, I will designate Mitch as a member of the President's Economic Policy Board, which oversees the formulation, coordination and the implementation of all of our governmental economic policy. This Board, as I think most of you know, is the focal point for economic policy decision-making -- both domestic and international.

The son of Polish immigrants, Mitchell Kobelinski is a fine example of the American dream come true. It is especially significant that he is being sworn in on a day when many, many Polish Americans commemorate the birth of General Kosciusko, who served the United States with such distinction during our War of Independence.

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I am very pleased and delighted to see so many leaders of other ethnic communities here today to share this very, very important moment with Mitchell, his family and the Polish-American community.

We all know that the small business sector of our economy is vital to job creation, competition and technological innovation. In this era of bigness, our Nation absolutely needs to maintain an environment in which small businesses providing economically valuable products and services can flourish now and in the future.

In our country today, 9 million 400 thousand small business firms employ about 55 percent of the private sector labor force and produce approximately 48 percent of our gross business product. The continued growth of small businesses is critically important if we are going to generate the expanding number of productive jobs our country will need in the coming years.

To provide small businessmen with the advice they need and the assistance that they require and to promote the interest of the small business sector, the Small Business Administration was established in 1953 under President Eisenhower. The intent of this legislation, as written in the statute, was to aid, to counsel, assist and to protect the interests of small business concerns in order to preserve competitive enterprise as the basis for economic well-being and the security of the Nation.

In 1953, I was in the House of Representatives and supported, as I think virtually every Member did, the creation of SBA, and I support it strongly today. As tangible proof of this commitment, in order to increase the ability of SBA to assist in financing the many, many small businesses which are unable to obtain financing in commercial markets, my fiscal 1977 budget calls for increase of 33 percent in SBA's major loan guarantee program, and we can blame Tom Kleppe for twisting my arm in that regard.

I am very pleased, and I am sure it is obvious, to have someone with Mitch Kobelinski's ability, his perception and his dedication assuming the lead role in aiding and assisting the small business community and heading up the handling of such matters for my Administration.

I look forward to working with Mitch in furthering the interest and the needs and the requirements of the small business community.

Now, it is my great personal pleasure and privilege to participate in the swearing-in ceremony and I ask Justice Stevens if he would administer the oath, please.

(The oath was administered by Justice Stevens.)

MR. KOBELINSKI: Thank you. I can see, Mr. President, that there is a big family, or we bribed an awful lot of friends. (Laughter)

I do thank you, Mr. President, Reverend Fathers, distinguished and honorable officials of this Administration, fellow servants of the American people, my very dear friends, my beloved wife and family:

First, Mr. President, let me thank you for nominating me and providing me with this unique opportunity to serve my fellow Americans. I am especially pleased, honored, to be named to the Economic Policy Board, and I thank you for that very especially, Mr. President.

I want to begin my new service as Administrator of this very unique agency of Government by agreeing with the President that this particular day is a very propitious day for this ceremony, as we hail two great champions of the cause of liberty from two separate continents.

Freedom and liberty are synonymous with the names of these great men -- Lincoln and Kosciusko. I believe there is further symbolism in the interplay of the European continent, particularly Poland, with its continuous struggle for freedom and the United States with its many internal and external battles for the cause of freedom.

Most of us present trace our roots to that European continent, but some of us are far up among the twigs and branches while those of us who either migrated here or had parents that did have a very special awareness of their ethnic origin.

I think we have a sense of gratitude to those self-reliant, courageous and industrious people who struck out boldly for America, leaving behind both family and friends and all the old familiar ways of life.

Why? Because America stood for political and religious freedom and for economic opportunity. When we celebrated the Centennial of our country's founding, many feared that the new waves of immigrants then just beginning to flow to our shores in ever larger numbers from lands where only despotism and repressive forms of Government were known -- they were looked upon as a possible challenge to the dominant culture of the 19th century.

Instead, their great self-reliance, industry and zeal for the cause of liberty helped build a nation unequalled in the history of man; regrettably, an island of liberty and free enterprise.

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I say an island because if we look around at the world today, we see a sea -- we find a sea -- of Socialism. We see Governments, not citizens, owning and operating the principal means of production. Free enterprise is being destroyed in almost all of the newly formed nations of the post-war era, and there are misguided souls here in the United States that would do the same.

They have forgotten the truism that Government is best which governs least.

You, Mr. President, have repeatedly taken the position for less Government rather than more Government, and that is the only way we will protect our liberties and our economic system.

It is my belief that small business is the voice of economic freedom in America, and that is essential to the preservation of the other freedoms we all cherish so much. Since they are inseparable, if we lose one, it is inevitable that we will lose the others.

We, therefore, have a solemn duty, an obligation, to assist and strengthen the small business sector. This means that every small business in the country is of vital importance not only to economic freedom but to the survival of our very way of life.

That, my very dear friends, is what the SBA -- the Small Business Administration -- is all about, in my humble opinion.

I am especially pleased, proud, to assume the responsibilities of Administrator of this agency that has as its mandate the encouragement and preservation of the free enterprise system in America.

We must use the authority of this agency not to control, regulate or thwart business activities but to make it expand and blossom. I spoke of the industry and self-reliance of those immigrants that built this country into the world power that it is today.

It is precisely those great qualities of industry and self-reliance that are needed today for the success of any small business. When the SBA lends money or guarantees loans made by private banks, our legislation tells us that we must find reasonable assurances of repayment.

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It is hardly possible to find such assurance in a borrower if he lacks those two important qualities. I see this agency playing a key role in the economic recovery that is already well on its way, thanks to the leadership of our President.

By lending assistance financially as well as by offering management assistance and helping to identify new markets for the production of our small businesses, both domestically and overseas as well, we can create jobs and improve the productive capacity of our land.

We hope to give those small businesses a head start by assuring that they receive a fair share of the Government procurement dollar as well.

I am hopeful that my several years at the Export-Import Bank, where I have concerned myself with international markets, will help bring a new thrust to our agency, not by spending more money or being less discriminating in our lending, but by leveraging our resources to the highest degree possible, utilizing private industry as well as information already in the hands of other departments of Government, and using the SCORE and ACE volunteers to identify all these new markets.

More markets means more sales, and more sales means more production, which in turn means more jobs, greater productivity and lower unit costs, and lower prices and a balance of trade improvement, and a balance of payments improvement and, in the end, a stronger dollar and a stronger America.

I pledge to you, Mr. President, that I will do everything in my power to support the policies of this Administration, which are leading this country into a new era of increased productivity.

I will devote every effort to the administration of my agency in a manner which will preserve our free enterprise system and make an even better example for the world so that the passing tide of Socialism will subside and liberty, through the vehicle of free enterprise, will be restored and preserved everywhere.

Mr. President, the road that you have selected calling for more economic freedom and less regulation, tax reform to promote greater capital formation, to in turn improve productive capabilities and create more jobs is the freedom road to prosperity for all Americans.

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This is the solid, long-term free enterprise solution to our country's economic problems. I feel a special responsibility as an ethnic American to help deliver your message to the 70 or 80 million fellow ethnics who support our free enterprise concepts.

I believe that they will heed your appeal for less Federal regulation and a return to local Government close to that basic unit of society -- the family. The ethnic American reminds us that we are a pluralistic, multicultural society, and no President, no President, has been more sensitive to this fact than the former Congressman from the very multicultural, pluralistic State of Michigan, our President.

I pledge that my administration will be dedicated to helping all Americans -- the minorities, women in business, all those who qualify for SBA's help -- to enter and participate in our free enterprise system and who will bring to it these fine qualities.

Mr. President, your way calls for self-reliant, industrious, responsible citizens. I believe most Americans are just that, particularly the small businessman. They will follow you up the freedom road to prosperity.

Thank you, Mr. President. Thank you, ladies and gentlemen.

END (AT 2:35 P.M. EST)