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Office of the White House Press Secretary

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THE WHITE HOUSE

TEXT OF REMARKS BY THE PRESIDENT  
TO BE DELIVERED AT  
"A BICENTENNIAL SALUTE TO SMALL BUSINESS"  
HYATT REGENCY HOTEL

It is a great honor for me to join in this Bicentennial salute to small business. I appreciate your very warm welcome.

George Washington once wrote, "Let your discourse with men of business be short and comprehensive."

Like America, that advice is about 200 years old, but I think it's still pretty good.

In the earliest days of American history, small business men and women were among the first to revolt against the tyranny and oppression of a far-away government.

Seeking the freedom to control their own lives and economic destinies, hundreds of merchants and shopkeepers and craftsmen helped wage and win the fight for America's independence.

With that independence, small business has played a major role in building America to greatness in the two centuries that have followed.

You account for 97 percent of all non-farm businesses in America, for nearly half the gross national product, and nearly three-fifths of all non-farm private employment. About 100 million Americans own, work for, or are supported by small business.

As I said in my Small Business Week proclamation earlier this year, "small businesses are the cornerstone of the American economy."

To ensure that small business in America survives and thrives in the future, as it has in the past, I have proposed legislation to raise the estate-tax exemption from 60,000 to 150,000 dollars, stretch out the payments at low interest rates over 25 years, and exempt from taxation the transfer of your businesses from husband to wife.

To help you obtain the capital you need to grow and create the new jobs America needs, I have also proposed the retention of the 50,000 dollar corporate surcharge exemption, a two percent reduction in the maximum corporate income tax rate, and a 33 percent increase in the Small Business Administration's major loan guarantee program.

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And as Mitch Kobelinski and others reported earlier this week, the Administration has developed:

- a vigorous new small business export program;
- a national secondary market program to tap new private sources of funds for small business;
- and a new partnership of government, small business and education to do for small business what a similar partnership has done for agriculture in the last hundred years.

I am very grateful for the hard work, the sacrifice, the courage, the ingenuity, and the economic strength you have contributed to America -- and this Bicentennial salute to the small business men and women of America is very well deserved.

As we enter our third century, America is faced again with the fundamental choice of what kind of government -- and how much government -- we want.

Like the patriots of 1776, we are concerned about the power of government -- the power to tax, the power to spend, the power to regulate.

For the past forty years, since the darkest days of the Great Depression, those powers have been on the increase.

When economic or social problems have arisen, more and more people have turned more and more habitually to government for quick solutions.

This growing reliance has, in turn, given the Federal Government more and more power to dictate how each of us must live and work.

In our haste to say "the government ought to do something about that," we have allowed an enormous Federal bureaucracy to be established.

Since President Dwight D. Eisenhower left office, 236 departments, agencies, bureaus and commissions have been created -- and only 21 have been eliminated.

We have more than a thousand different Federal programs, more than 80 regulatory agencies, and more than 100 thousand government workers whose primary responsibility is to tell other Americans what the Congress has said they can and cannot do.

But even with all of this control, government has often proven to be clumsy and ineffective in meeting many of America's most serious problems.

In fact, the rising cost and control of government has itself become one of America's most serious problems -- one I have already begun to attack.

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Government costs have added to inflation and reduced the investment and purchasing power of businessmen and individuals.

Government has developed an insatiable appetite for paper and red tape, and it is choking the life out of free enterprise and individual initiative in America.

Government reporting requirements cost small businesses in America 18 billion dollars a year.

With teams of lawyers and accountants to help, executives of large corporations may be able to cope with these reporting requirements. One oil company pays 475 people to work full-time on preparing and filing government reports.

But small business executives must devote many working days figuring out for themselves what each new government regulation may mean to their businesses.

It's time you got back to working for your customers instead of the government. And it's time the government minded its own business for a while, and let you run yours.

The simple fact is that the government has grown too large, too powerful, too costly, too remote, and yet too deeply involved in the daily lives of the American people.

Today, as part of the Bicentennial salute to small business, I am issuing a declaration of independence from the needless regulations of government, and I invite you all to join me in a new struggle for freedom in America.

In fact, the struggle has already begun. In the past year, we have achieved the most significant reform in government regulations in three decades.

At my urging, the Congress has passed several important new laws which begin to reverse the trend of growing government interference.

We have opened up competition in the securities market for the first time since the major stock exchanges were established 200 years ago.

We have reduced the Interstate Commerce Commission's regulation of railroads for the first time since the creation of the agency in 1887.

We have increased civil and criminal penalties for anti-trust violations to ensure that competition can flourish, and that there is still freedom in the free enterprise system.

The Congress is now considering additional legislation I have proposed to reform regulations governing airlines, the motor carrier industry, and financial institutions.

In addition to these regulatory reforms, I have directed every agency of the Federal government to reduce by at least ten percent the number of reporting forms it produces and requires of the American people -- and I have set a deadline of July first. I got a progress report a couple of days ago which says that deadline will be met. But that is only the beginning of a project that is long overdue.

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I have also met with the heads of independent regulatory agencies and asked for their support in reducing unneeded and costly delays.

The results are already apparent:

The Securities and Exchange Commission used to take about a year to hand down opinions. It is down to about 45 days now, and soon it will take 30 days.

The Small Business Administration has just launched a pilot program that will reduce the processing time for loan guarantees from a month or more to just 48 hours.

The Labor Department has reduced and simplified reporting requirements for small pension funds, saving the small businessman and the government nearly one billion dollars in yearly costs.

A radio station in New Hampshire once paid 26 dollars in postage alone just to mail an application to the Federal Communications Commission. Now that application has been reduced to one sheet of paper.

And while it once took six to eight weeks to get a license from the FCC to use a citizens band radio, today a temporary license may be obtained at the time of purchase. I know. I asked "First Mama."

Last Friday, I created temporary Presidential task forces to simplify and streamline government regulations beginning with the Federal Energy Administration and the Occupational Safety and Health Administration.

The Congress has given these agencies a job to do, but they can do that job without needlessly harassing the American businessman -- and I intend to see that they do.

If you have any good suggestions on how to make these agencies work more effectively and more efficiently, I will certainly welcome your ideas.

But all of us recognize that reducing paperwork and improving our regulatory practices really amount to only treating the symptoms of more fundamental problems.

We need to stop just scratching the surface, stop dealing in piecemeal approaches, stop merely moving agencies around or renaming them and for a change, stop long enough to listen to what American business and labor and consumers have to say about things.

What we need now is an agenda for action, a timetable for progress toward real reform.

We cannot untangle forty years' work of bureaucratic red tape overnight, but we can at least set the process in motion.

Because of the importance which I attach to the small business community and because you have sought these needed reforms so persistently and vigorously, I am taking this occasion to announce that today I have sent to the Congress legislation which will force action on fundamental regulatory reform in each of the next four years.

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This legislation would require the President to analyze the benefits and problems of Federal regulations, and to make specific recommendations for reform to the Congress.

And it would give the Congress a binding obligation -- and a specific deadline -- to act on those proposals.

For example, if this law were in force today, and I recommended, among other things, that OSHA inspectors be directed to give advice and assistance to your business, rather than just handing out fines, the Congress couldn't bury those proposals; and they couldn't just talk them to death. Both the House and Senate would be required to act on these proposals within nine and a half months.

Furthermore, the bill calls upon the President to ask your advice on realistic reform, and because action is assured, it will be worth the investment of your own time and thought.

Here is the agenda:

In 1977 we will develop comprehensive reform proposals in transportation and agriculture; in 1978, mining, heavy manufacturing, and public utilities; in 1979, light manufacturing and construction; in 1980, communications, finance, insurance and other service industries.

This comprehensive review will have four major goals.

First, ensure that government policies do not infringe unnecessarily on individual choice and initiative or in the free marketplace.

Second, find better ways to achieve our valid economic, health and safety goals at minimal costs.

Third, ensure that government policies and programs benefit the public interest rather than special interests.

And fourth, assure that regulatory policies are equitably enforced.

This legislation was born of a common concern for regulatory reform within the Administration and the Congress.

Senators Robert Byrd and Charles Percy and Representatives John Anderson and Barbara Jordan have been in the forefront in proposing regulatory reforms, and I look forward to working with them to marshal broad, bi-partisan support and swift enactment of this bill.

This new initiative is not, in any way, intended to delay reforms on which you have every right to expect immediate action.

My Administration will continue to reduce unnecessary and burdensome regulations, to cut back on paperwork and red tape, to make administrative improvements wherever possible, and to get the Congress to act on reform legislation already submitted.

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These are ambitious programs. But I am certain that if America's third century is to be the century of the individual, we must take the first bold steps toward reducing the influence of government in our everyday lives and reclaiming the freedom that is our greatest heritage.

As the proprietors of small business, you possess those traits of individual initiative, self-reliance and creativity we prize so highly in America,

Those traits have always been indispensable characteristics of a free and dynamic and forward-looking people. I believe these traits are still the dominant ones in America. If they are, then our third century can only be greater than the two glorious centuries that have gone before.

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