

FOR IMMEDIATE RELEASE

MAY 13, 1976

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

---

THE WHITE HOUSE

REMARKS OF THE PRESIDENT  
AT THE  
BICENTENNIAL SALUTE TO SMALL BUSINESS LUNCHEON  
  
THE HYATT REGENCY HOTEL

1:52 P.M. EDT

Thank you very, very much, members of the National Advisory Council, honorees, distinguished guests, ladies and gentlemen:

Let me second what was said by Dr. Paul. Tom Kleppe was an outstanding head of SBA. That is why I selected him to the Cabinet position of Secretary of Interior. But let me say without hesitation, reservation or qualification. Mitch Kobelinski is doing a super job and we are proud of him and I know you will find him an outstanding person to work with.

And may I specifically acknowledge and congratulate the honorees. It is a great tribute to what you have done. It is a great tribute to the small business aspects of our society and I congratulate and commend each and every one of you.

Obviously, it is a great honor and privilege for me to have the opportunity to participate in this Bicentennial Salute to Small Business. 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 is still pretty good in 1976.

In the earliest days of American history, small businessmen and women were among the first to revolt against the tyranny and the oppression of a far away government. Seeking the freedom to control their own lives and economic destinies hundreds and hundreds of merchants and shopkeepers as well as craftsmen helped wage and win the fight to America's independence. With that independence, small business has played a very major role in building America to a greatness in the two centuries that have followed.

MORE

You account for 97 percent of all non-farm business in America, for nearly half the Nation's gross national product and nearly three-fifths of all non-farm private employment.

About 100 million Americans own, work on or work for small business throughout the Nation, and as I said in my Small Business Week Proclamation earlier this year, small businesses are the cornerstone of the American economy.

To insure that small business in America survives and thrives as it has in the past, I have proposed legislation to raise the estate tax exemption from \$60,000 to \$150,000, to stretch out the payments at low interest rates over a 25-year period and exempt from taxation the transfer of your businesses between husbands and wives.

I know that we can work together, you as well as myself, to convince the Congress of the absolute need and necessity of affirmative action on that proposal by me in 1976. Let's get the job done.

In addition, to obtain the capital that you need to grow and create the jobs in America, I have also proposed a retention of the \$50,000 corporate surtax exemption, a 2 percent reduction in the maximum corporate income tax rate and a 33 percent increase in the Small Business Administration's major loan guarantee program. Those are all affirmative actions which we -- as Mitch Kobelinski and others reported earlier this week...the Administration on its own has developed. Number one, a vigorous new small business export program. Number two, a national secondary market program to tap new private sources of funds for small businesses 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 100 years.

And if I might say so to all of you, I am deeply grateful for the hard work, the sacrifice, the courage, the ingenuity and the economic strength that each and every one of you and all of you collectively have contributed to America, and this Bicentennial Salute to the Small Businessmen and women of America is certainly well-deserved and highly appreciated by all America.

As we enter our third century, America is faced with a very 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 and the power to regulate. For the past 40 years since the darkest days of the Great Depression, those powers have been significantly 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 how each of us must 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, 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 100,000 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, or maybe in spite of it, government has more 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 and I have been working on the solution to that problem for a long, long time -- first in the Congress, then as Vice President and now as your President, and I hope and trust that we can continue this job and finish it or make a lot of progress in the next four years.

I think you know better than I that government costs have added to inflation and reduced the investment and purchasing power of businessmen as well as individuals. Government has developed an insatiable appetite for paper and red tape and it is choking the life out of the free enterprise and individual initiative throughout the length and breadth of our country.

Government reporting requirements cost -- I couldn't believe it -- small businessmen in America \$18 billion a year with the teams of lawyers and accountants to help. Executives of large corporations may be able to cope with these reporting requirements. One oil company alone pays 475 people to work full-time in preparing and filing government reports. But small business executives -- and this you know far better than I -- must devote many working hours each day figuring out for themselves what each new government regulation may mean to their business. It is time you got back to working for your customers instead of the government.

It is time the government minded its own business for a while and let you run yours. The simple fact is that government has grown too large, too powerful, too costly, too remote and yet too deeply involved in the daily lives of the American people.

MORE

Today as a part of the Bicentennial Salute to Small Business, I am issuing a declaration of independence from the needless regulations of the government and I invite all of you 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 very important new laws which begin to reverse the trend of growing government interference. We have opened up the 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 that agency in 1887. We have increased civil and criminal penalties for antitrust violation to insure that competition can flourish and that there is still freedom in the free enterprise system.

Congress is now considering additional legislation that I proposed to reform regulations concerning 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 that it produces and requires of the American people and I have set a deadline of July 1. I got a progress report a couple of days ago which said that deadline will be met, and I can assure you it will or there will be some people who might hear a word or two. (Laughter)

But I add that this is only the beginning of a project that is long overdue. 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 somewhat apparent. The Security and Exchange Commission used to take about a year to hand down opinions. It is now down to about 45 days and soon they tell me it will take 30 days. The Small Business Administration is launching a pilot program that will reduce the processing time for loan guarantees from a month or more to just 48 hours.

Good luck, Mitch and Louie. (Laughter) We will check up on you.

The Labor Department has reduced and simplified reporting requirements for small business pension funds saving the small businessman and the government nearly \$1 billion in yearly costs.

MORE

A radio station in New Hampshire once paid \$26 in postage just to mail an application to the Federal Communications Commission. Now that application has been reduced to one sheet of paper. That's progress despite the increase in postal rates. (Laughter)

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. How do I know? (Laughter) I asked First Mama. (Laughter)

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 harrassing the American businessmen, and I intend to see that they do just that.

If you have any suggestions on how to make these agencies work more effectively and more efficiently, the White House will certainly be more than welcome to receive your recommendations.

But all of us recognize that reducing paperwork and improving our regulatory practices really amount to only the treating of 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 re-naming 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 40 years worth 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 so 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. This legislation would require the President of the United States to analyze the benefits and the problems of Federal regulation and to make specific recommendations for reform to the Congress. It would give Congress a binding obligation and a very specific deadline to act on these proposals.

For example, if this law were in force today and I recommended, among other things, that OSHA, its inspectors, be directed to give advice and assistance to your business rather than just handing out fines, the Congress could not bury those proposals and they could not just talk them to death.

MORE

Both the House and the 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 time as well as your 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, insure that government policies do not infringe unnecessarily on individual choice, individual initiative or in the free marketplace.

Second, find better ways to achieve our valid economic health and safety standards at a minimal cost.

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

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 bipartisan support and, hopefully, swift enactment of this basic legislation.

This new initiative is not in any way whatsoever intended to delay reforms on which we 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. 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 that great freedom that is our most wonderful heritage.

As the proprietors of small business, you possess the traits of individual initiative, self-reliance and creativity we prize so highly in America. Those traits have always been indispensable -- indispensable as 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.

Thank you very much.

END (AT 2:12 P.M. EDT)