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Record Group/Collection: George H.W. Bush Presidential Records
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Series: Speech File Backup Files
Subseries: Chron File, 1989-1993

OA/ID Number: 13813
Folder ID Number: 13813-008

Folder Title:
Small Business Week 5/12/92 [OA 7573]

Stack:	Row:	Section:	Shelf:	Position:
G	26	22	5	3

EXECUTIVE OFFICE OF THE PRESIDENT

12-May-1992 03:48pm

TO: (See Below)
FROM: Robert H. Simon
Office of Communications
SUBJECT: SMALL BUSINESS CEREMONY -- ROSE GARDEN

I thought I'd try e-mail on this one since there's not much to report.

The ceremony went very well. The President's delivery was smooth with no hitches. The audience of business persons reacted very well to the announcement of payroll tax simplification.

He generated two spontaneous bits of applause by saying business shouldn't have to do the government's paperwork and bureaucracy must "put people first, treating taxpayers as customers."

He was also very gracious to the small business persons of the year -- pointing them out for applause.

All in all (for me, anyway) a very satisfying final event.

DISTRIBUTION:

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To Bob

Date _____ Time 9:06

WHILE YOU WERE OUT

M. Jeff Vogt

of _____

Phone < 7845

Area Code Number Extension

TELEPHONED		PLEASE CALL	<input checked="" type="checkbox"/>
CALLED TO SEE YOU		WILL CALL AGAIN	<input type="checkbox"/>
WANTS TO SEE YOU		URGENT	<input type="checkbox"/>

RETURNED YOUR CALL

Message Gary Gasper

566 - 5911

Peter Barlow

566 - 2378

MA
Operator

SMALL BUSINESS WEEK \ ROSE GARDEN
TUESDAY, MAY 12, 1992 \ 3:00 P.M.

I WANT TO RECOGNIZE TREASURY SECRETARY NICK BRADY,
IRS COMMISSIONER SHIRLEY PETERSON, AND MY COUNSEL
BOYDEN GRAY -- ALL DOING AN OUTSTANDING JOB. I ALSO
WANT TO SALUTE SBA ADMINISTRATOR PAT SAIKI, WHO WAS AT
MY SIDE LAST WEEK IN L.A. AS WE SURVEYED WHAT CAN BE
DONE TO HELP THAT CITY.

IT'S HARD ON THIS SMALL BUSINESS DAY NOT TO THINK
OF THE THOUSANDS OF SMALL BUSINESSPEOPLE WHO SUFFERED
DAMAGE IN LOS ANGELES.

- 2 -

MY COMMITMENT TO THEM IS THIS: WE'RE WORKING TO GET
WHATEVER DISASTER ASSISTANCE THE FEDERAL GOVERNMENT CAN
PROVIDE INTO THEIR HANDS IN RECORD TIME. THEY'VE
SUFFERED ENOUGH -- AND I'M TRYING TO MAKE SURE
FRUSTRATION WITH RED TAPE AND GOVERNMENT BUREAUCRACY
DOESN'T ADD TO THEIR TROUBLES. I KNOW THE SBA HAS BEEN
IN THE FOREFRONT OF THIS EFFORT, WORKING WITH OUR TASK
FORCE UNDER THE ABLE LEADERSHIP OF DAVID KEARNS.

AS YOU KNOW, TODAY I CALLED CONGRESSIONAL LEADERS OF BOTH PARTIES TO THE WHITE HOUSE. AND I'M PLEASED WITH THE EARLY RESULTS OF OUR EFFORT TO FORGE A BI-PARTISAN BASIS OF SUPPORT FOR OUR OPPORTUNITY AGENDA FOR AMERICA'S INNER CITIES. IT'S A PROMISING START -- AND WE'LL PUSH AHEAD.

WE'RE HERE TODAY BECAUSE IT'S SMALL BUSINESS WEEK, AND WE HAVE WITH US FROM ALL 50 STATES AND BEYOND, THE SMALL BUSINESS PERSONS OF THE YEAR.

WELCOME TO THE WHITE HOUSE -- AMERICA'S ULTIMATE MOM-AND-POP OPERATION. \\\

I GOT MY START IN LIFE AS A SMALL BUSINESSMAN IN TEXAS. I KNOW HOW IT FEELS TO START SOMETHING FROM SCRATCH. WORK WITH IT DAY AND NIGHT, AND HOPE YOU SUCCEED. SUCCESS GOES TO THOSE WHO WORK HARD, REFUSE TO GIVE UP, AND LEARN FROM THEIR MISTAKES.

I ALSO KNOW WHAT IT'S LIKE TO COPE WITH FEDERAL REGULATIONS AND PAPERWORK. SOMETIMES BUREAUCRATS MAKE THINGS NEEDLESSLY COMPLICATED.

THEY FORGET THEY'RE SUPPOSED TO SERVE THE TAXPAYERS THE SAME WAY A BUSINESS HAS TO SERVE ITS CUSTOMERS.

THAT ATTITUDE IN GOVERNMENT IS NOT ONLY WRONG, IT'S BAD FOR BUSINESS. SO TODAY, WE'RE DOING SOMETHING ABOUT IT. TO HONOR THESE OUTSTANDING BUSINESS PEOPLE, WE'RE GOING TO DO SOMETHING OUTSTANDING FOR SMALL BUSINESSES ACROSS AMERICA.

EVERY BUSINESSMAN AND WOMAN SITTING HERE CAN TELL YOU HOW BURDENSOME IT IS TO COMPLY WITH THE I.R.S.'S PAYROLL TAX RULES. IF THEY CAN'T TELL YOU, IT'S BECAUSE THEY'RE PAYING ANOTHER COMPANY TO COPE WITH ALL THE HEADACHES FOR THEM.

TODAY, THE I.R.S. IS IMPLEMENTING FASTER, CHEAPER, AND SIMPLER WAYS FOR BUSINESSES LARGE AND SMALL TO DEAL WITH THE PAYROLL TAX SYSTEM. THIS WEEK, THE I.R.S. WILL ISSUE A PROPOSED RULE TO REDUCE THE COMPLICATED DEPOSIT SCHEDULE.

LARGE COMPANIES WILL BE ABLE TO MAKE PAYROLL TAX DEPOSITS ON A FIXED DAY OF THE WEEK. MOREOVER, AS MANY AS 75% OF ALL BUSINESSES WILL MAKE PAYMENTS JUST ONCE A MONTH. THESE SIMPLIFICATIONS WILL SIGNIFICANTLY REDUCE THE COST, CONFUSION AND COMPLEXITY OF THE PAYROLL TAX SYSTEM.

WE'RE ALSO MOVING FORWARD TO ELIMINATE ALL THE DUPLICATE W-2 FORMS AND OTHER PAYROLL TAX INFORMATION THAT EMPLOYERS HAVE BEEN REQUIRED TO SUPPLY.

WE ARE WORKING TO SET UP A SINGLE WAGE REPORTING SYSTEM SO THAT SEPARATE FORMS DON'T HAVE TO BE SENT TO THE I.R.S., DEPARTMENT OF LABOR, SOCIAL SECURITY, AND STATE AND LOCAL GOVERNMENTS.

IN JUNE, AN EXPERIMENTAL PROGRAM IN GEORGIA, SOUTH CAROLINA AND FLORIDA WILL LET EMPLOYERS MAKE TAX PAYMENTS ELECTRONICALLY -- WITHOUT EVEN LEAVING THEIR OFFICE. NO MORE PAPER COUPONS TO FILE, OR STANDING IN LINE AT THE BANK.

SMALL BUSINESS LEARNED LONG AGO THAT COMPUTERS
COULD DO MORE WORK IN LESS TIME FOR LESS COST. IT'S
TIME WE BRING GOVERNMENT OUT OF THE HORSE-AND-BUGGY ERA
AND INTO THE INFORMATION AGE -- AND STOP HAVING
BUSINESS DO THE GOVERNMENT'S PAPERWORK. \\\

THE I.R.S. MAY NOT BE THE MOST POPULAR AGENCY IN
TOWN, BUT THEY'RE WORKING HARD NOT TO BE THE MOST
INFURIATING.

LAST MONTH, THE I.R.S. CENTER IN OGDEN, UTAH WON THE
PRESIDENT'S AWARD FOR QUALITY, WHICH GOES TO THE
GOVERNMENT OFFICE THAT PROVIDES EXCELLENT PUBLIC
SERVICE IN A COST-EFFECTIVE MANNER. IT'S THIS NEW KIND
OF ATTITUDE IN GOVERNMENT SERVICE THAT MUST BE BROUGHT
TO EVERY FEDERAL BUREAUCRACY -- PUTTING PEOPLE FIRST,
TREATING TAXPAYERS AS CUSTOMERS.

THE SMALL BUSINESS WINNERS HERE KNOW WHAT I'M TALKING ABOUT. JAMES FLEMING STARTED HIS METAL COMPONENT BUSINESS IN HIS BASEMENT, AND TURNED IT INTO A \$15 MILLION INTERNATIONAL BUSINESS. JIM HAS DESIGNED EVERYTHING FROM MEDICAL EQUIPMENT USED IN HIP REPLACEMENTS TO AN ASSEMBLY LINE FOR JIFFY POP POPCORN. RICHARD STEWART TURNED A PART-TIME HOBBY SELLING NATURAL SPICES INTO AMERICA'S LARGEST SUPPLIER OF BULK HERBS, SPICES, GOURMET COFFEE AND TEA TO THE NATURAL FOODS INDUSTRY.

AND THEN THERE'S AMELIA MCCOY. HER BUSINESS BEGAN AS AN ACT OF LOVE: MAKING HAIR RIBBONS FOR HER GRANDDAUGHTERS. NOW THE HAIR BOWS HER COMPANY SELLS ARE HANDMADE BY 450 PEOPLE IN RURAL OKLAHOMA WHO WORK AT HOME AND GENERATE \$5 MILLION IN SALES. FOR THAT, AMELIA IS THIS YEAR'S SMALL BUSINESS PERSON OF THE YEAR. \\\

SINCE I ANNOUNCED A MORATORIUM ON NEW REGULATIONS IN JANUARY, MY ADMINISTRATION HAS WORKED TO REDUCE THE BURDEN GOVERNMENT PLACES ON THE BUSINESSES OF THIS COUNTRY. WE'VE ALSO LOOKED AT EXISTING REGULATIONS, LIKE THE ONES I SPOKE OF TODAY, TO SEE HOW WE COULD HELP THE ECONOMY BY ELIMINATING OR SIMPLIFYING REGULATIONS THAT IMPEDE ECONOMIC GROWTH FOR NO GOOD REASON. I'M SURE AMELIA WOULD RATHER BE TYING A RED RIBBON FOR HER GRANDDAUGHTER THAN SPENDING ALL DAY TIED UP IN RED TAPE. \\
\\

EVERY BUSINESS DOLLAR THAT GOES INTO COMPLYING WITH SOME GOVERNMENT MANDATE IS A DOLLAR THAT WON'T BE SPENT HIRING NEW WORKERS. TWO-THIRDS OR MORE OF THE NEW JOBS IN THIS COUNTRY ARE CREATED BY SMALL BUSINESS. YOU ARE THE HEART AND SOUL OF WHAT MAKES THIS ECONOMY WORK -- WHAT MAKES THE AMERICAN DREAM POSSIBLE FOR YOUR EMPLOYEES AND THEIR FAMILIES.

WE WILL WORK TO KEEP GOVERNMENT OUT OF YOUR WAY SO YOU CAN GO OUT AND DO WHAT YOU DO BEST. THANK YOU, AND MAY GOD BLESS THE UNITED STATES OF AMERICA.

#

Chile ✓
Balto. ✓

Very nice -
let's staff w/ changes.

Simon
May 11, 1992
Draft 1
SBA

PRESIDENTIAL REMARKS: SMALL BUSINESS WEEK
ROSE GARDEN
TUESDAY, MAY 12, 1992
3:00 P.M.

I want to salute SBA Administrator Pat Saiki, who was at my side last week in L.A. as we surveyed what can be done to help that city. I also want to recognize Deputy Treasury Secretary John Robson and IRS Commissioner Shirley Peterson -- both doing an outstanding job.

We're here today because it's Small Business Week, and we have with us from all 50 states and beyond the Small Business Persons of the Year. Welcome to the White House, -- America's ultimate Mom-and-Pop operation. \\\

I got my start in life as a small businessman in Texas. I know how it feels to start something from scratch. Work with it day and night, and hope you succeed. Success goes to those who work hard, refuse to give up, and learn from their mistakes.

(I know what's like to have to meet a payroll, to have employees whose families depend on that paycheck.) And I also know what's it's like to cope with federal regulations and paperwork. Sometimes bureaucrats make things needlessly complicated and forget they're supposed to serve the taxpayers the same way a business has to serve its customers.

That attitude in government is not only wrong, it's bad for business. So today, we're doing something about it. Instead of

simply honoring these outstanding business people, we're going to do something outstanding for small businesses across America.

Every businessman and woman sitting here can tell you how burdensome it is to comply with the I.R.S.'s payroll tax rules. If they can't tell you, it's because they're paying another company to cope with all the headaches for them.

Today, the I.R.S. is implementing faster, cheaper, and simpler ways for businesses large and small to file their payroll taxes. In June, an experimental program in Georgia, South Carolina and Florida will let employers make tax payments electronically -- without even leaving their office. No more paper coupons to file, or standing in line at the bank.

This week, the I.R.S. will propose a rule to reduce the complicated filing schedule. Large companies would be able to make payroll tax deposits once a week. But as many as 75% of all businesses would make payments just once a month. These simplifications will significantly reduce the cost and inefficiency of more frequent payments and should reduce penalties by 20%.

We're also moving forward on the elimination of all the duplicate W-2 forms and other payroll tax information that employers have been required to supply. We are working to set up a Single Wage Reporting System so that separate forms don't have to be sent to the I.R.S., Department of Labor, Social Security, and state and local governments. Small business learned long ago that computers could do more work in less time for less cost.

It's time we bring government out of the horse-and-buggy era and into the Information Age -- and stop having business to do the government's paperwork. \\\

The I.R.S. is also simplifying business tax forms, and increasing the availability of electronic filing of individual tax returns. This year, 11 million individual returns were filed electronically, saving a forest of paper, and reducing the error rate from 15% ^{all the way down to} ~~to~~ 2%. ^{And} It has the added benefit of speeding up refunds by 4 ~~of~~ 5 weeks.

((Now I'll admit, the only one in our family who understands the tax system is my dog Millie. \\\ You think it's great being president? Try having your dog declare you as a dependent. \\\))

The I.R.S. may not be the most popular agency in town, but they're working hard ^{to} not be the most infuriating. Last month, the I.R.S. center in Ogden, Utah ^{sort} won the President's Award for Quality, which goes to the government office that provides excellent public service in a cost-effecting manner. It's this kind of new attitude in government service that must be brought to every federal bureaucracy -- putting people first, treating taxpayers as customers.

The businessmen and women here know what I'm talking about. James Fleming started his metal component business in his basement, and turned it into a \$15 million international business. Jim has designed everything from medical equipment in used in hip replacements to an assembly line for Jiffy Pop popcorn. ((Jim, I hope you don't get those two products mixed

good joke
but ... ?

4

up.)) Richard Stewart turned a part-time hobby selling natural spices into America's largest supplier of bulk herbs, spices, gourmet coffee and tea to the natural foods industry.

And then there's Amelia McCoy. Her business began as an act of love: making hair ribbons for her granddaughters. Now the hair bows her company sells are handmade by 450 people in rural Oklahoma who work at home and generate \$5 million in sales. For that, Amelia was named the Small Business Person of the Year. //

~~X~~ Since I announced a moratorium on new regulation in January, my Administration has worked to reduce the burden government places on the businesses of this country. We've also looked at existing regulations, like the ones I spoke of today, to see how we could help the economy by eliminating or simplifying regulations that impede economic growth. I'm sure Amelia would rather be tying a red ribbon for her granddaughter than spend all day tied up in red tape. \\

✓✓

Every business dollar that goes into complying with some government mandate is a dollar that won't be spent hiring new workers. Two thirds or more of the new jobs in this country are created by small business. You are the heart and soul of what makes this economy work -- what makes the American Dream possible for your employees and their families.

As long as I am president, I will work to keep government out of your way so you can go out and do what you do best. Thank you, and may God bless the United States of America.

#

Tom Kerister - SBA Chief Advocate?

Simon
May 11, 1992
Draft 2
SBA

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ROSE GARDEN
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3:00 P.M.

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*Treas.
fact
sheet*
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*Gary
Gasper
Treas.
Dept.
566-9411*
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*Treasurer
fact
sheet*
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see file
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SBA see file
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SBA
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#

THE WHITE HOUSE
WASHINGTON

DATE: May 11

TO: Bob Simon

FROM: KATHY SHANAHAN
Associate Director
Office of Cabinet Liaison
Room 239, OEOB, x2800

Attached are Treasury
Comments on the Speech.

They want to sub. the
sentence from the fact
sheet for the one in
the speech.

Thanks

cc: Paul

2

Every businessman and woman sitting here can tell you how burdensome it is to comply with the I.R.S.'s payroll tax rules. If they can't tell you, it's because they're paying another company to cope with all the headaches for them.

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* Substitute Sentence from 'Tax Reform Announcement'

Elements of 5/12/92 Tax Reform Announcement

- o Simplified Payroll Tax Deposit System. Presently, many employers must make payroll tax deposits as often as twice a week, usually on different days of the week. If an employer's payroll varies significantly from payday to payday, the deposit requirements may change substantially within the same quarter. These requirements cause confusion, add complexity, and create unnecessary burdens for taxpayers.

The IRS and Treasury will announce the publication of proposed regulations that will simplify existing payroll tax requirements and thereby make compliance considerably easier. Under the proposed regulations, large employers can deposit payroll taxes on a fixed day of the week -- Tuesday or Friday depending on the payroll date. Smaller employers will make payroll tax deposits monthly. As many as 75% of all employers will be able to use this new "once-a-month" rule. *

- o Form 941EZ. The IRS is also developing a simplified new form, Form 941EZ, for reporting federal employment taxes. The new form is expected to reduce substantially the compliance burdens of more than 3.5 million small employers.
- o Electronic Deposit of Payroll Taxes. Last year, employers filed over 80 million paper coupons to accompany federal payroll tax deposits of almost \$850 billion. The IRS has been testing a program to replace the paper coupons with a system to collect and post payroll tax payments electronically. Under this program, employers will be able to post their payments without leaving their offices. The IRS will announce that this experimental, voluntary program will be available in early June to employers in South Carolina, Florida, and Atlanta, Georgia.
- o Single Wage Reporting. Traditionally, an employer must file employment tax forms for each employee with the IRS and the Social Security Administration as well as state and local tax agencies. The IRS, SSA, and Department of Labor are working on a joint plan to do away with the duplicate filing of Form W-2 and other payroll tax information by establishing a Single Wage Reporting System. The new system would require only one filing, thereby saving substantial administrative costs. The federal agencies will work closely with state organizations in refining and implementing this system.
- o On-Line Tax Identification Number Matching. The IRS plans this fall to establish a call-in site to allow employers to verify employees' tax identification numbers (TINs) electronically. The program will gradually be made available to selected industry groups.



Federal Quality Institute
P.O. Box 99
Washington, D.C. 20044-0099

FOR IMMEDIATE RELEASE
APRIL 14, 1992

CONTACT: Pat Wood or Joe Slye at FQI:
(202) 376-3747 or
IRS Media Relations (202) 566-4024

TOP QUALITY AWARD WON BY IRS CENTER IN OGDEN, UTAH

Washington, DC -- The Internal Revenue Service Center in Ogden, Utah, will receive the Nation's highest award for quality in the federal government.

The Presidential Award for Quality, comparable to the Malcolm Baldrige National Quality Award in the private sector, will be presented in a ceremony at the Fifth Annual National Conference on Federal Quality in Washington, DC, on May 29, 1992.

President Bush announced this year's winner in a letter to Shirley D. Peterson, the new Commissioner of the Internal Revenue Service. "We in government uphold the public trust," the President wrote, "and the American people deserve the best that Federal agencies can provide. Today that means the kind of service being provided at Ogden."

"We are extremely proud to receive the President's Award", IRS Commissioner Peterson said. "The men and women at our Ogden Center have worked hard to deserve this recognition. One of the IRS' key management objectives is improving the quality of the service we give to taxpayers, and an award like this provides tremendous encouragement."

The award is administered by the Federal Quality Institute, the government's lead agency in promoting Total Quality Management (TQM). It goes to federal organizations that involve their total workforce in achieving customer satisfaction. Winning agencies improve the quality of products and services delivered to the public and also reduce costs. The Ogden Center is the first civilian organization honored since the award was established in 1989. The two previous winners were the Air Force Logistics Command in 1991 and the Naval Air Systems Command in 1989.

The Ogden Center, which serves a 14-state area, processed 26 million tax returns, collected \$100 billion in tax payments and issued \$9 billion in refunds in FY 1991. Since implementing Total Quality Management in 1986, the Center has made improvements in processing, reviewing, correcting and entering tax returns that resulted in more accurate and timely service to taxpayers while saving the Government more than \$11 million.

- MORE -

Total Quality Management for the Federal Government
Pension Building • 4th and F Streets, N.W. • Washington, D.C. 20001
Telephone (202) 376-3747

Examiners for the 1992 competition came from both business and government. These included Motorola, IBM, Honeywell, First Chicago Bank, Computer Sciences and FMC Corporation, as well as the Departments of Commerce, Defense, Education and Interior and the Office of Personnel Management.

For conference information, contact Deborah Smith at (202) 376-3747. For information on the Federal Quality Awards Program, contact Dick O'Brien or Victoria Elder at the same number.

-END-



COMMISSIONER

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

April 16, 1992

MEMORANDUM FOR SECRETARY BRADY

FROM:

Shirley D. Peterson *Shirley Peterson*
Commissioner of Internal Revenue

SUBJECT:

Presentation of the President's 1992 Award
for Quality to the Ogden Service Center

I am writing to share some good news and also to seek your participation and assistance in making the most of this exciting development. We have just learned that our Ogden Service Center has won the 1992 President's Award for Quality. As you may know, this is the Nation's highest award for quality in the federal government and is comparable to the Malcolm Baldrige National Quality Award in the private sector. We are particularly proud that the IRS--the largest agency within the Treasury Department--is the first civilian agency to win this award.

The award will be presented in a ceremony at the Fifth Annual National Conference on Federal Quality in Washington, D.C. on May 29, 1992. We hope that you will be able to attend the ceremony, and we would be most grateful, if you deem it appropriate, if you would urge the President to present the award. If that date is not compatible with the President's schedule, we would, of course, arrange to have a presentation by the President at a time and location convenient to him.

This award gives the President a unique opportunity to showcase a large government agency that has made great progress in improving quality and productivity. As you know, our Tax Systems Modernization effort is one of the President's Priority Projects. It has received a great deal of publicity already, and as we bring that system on line, it would pay big dividends if taxpayers associated the word "quality" with our efforts to improve our service to the public.

Attached for your information are: the President's letter to me announcing the award; the Federal Quality Institute's press release; and an article from the Ogden newspaper regarding the award. Thank you for your interest. Please let me know if you need additional information.

cc: John Robson

THE WHITE HOUSE
WASHINGTON

April 1, 1992

Dear Commissioner Peterson:

I am pleased to inform you that I have named the Ogden Service Center as the recipient of the 1992 Presidential Award for Quality.

This is the highest award for quality in the Federal Government, and you and your colleagues can be especially proud to know that the Ogden Center is the first civilian organization to receive this prestigious award.

The Presidential Award brings with it not only honor but also the responsibility to serve as a model of quality management and service for Federal organizations everywhere. We in government uphold the public trust, and the American people deserve the best that Federal agencies can provide. Today, that means the kind of service that is being provided at Ogden. These high standards are vital if we are to retain the confidence and trust of the American taxpayer, who pays for, and demands, good government.

I salute former Director Robert Wenzel and the employees at Ogden for their outstanding work. My congratulations to each of them, and best wishes for every future success.

Sincerely,



The Honorable Shirley D. Peterson
Commissioner of the Internal Revenue Service
United States Department of the Treasury
Washington, DC 20224

FACT SHEET
ON TAX SYSTEM BURDEN REDUCTION INITIATIVES

NEWLY IMPLEMENTED INITIATIVES

The IRS and Treasury Department are implementing the following initiatives to reduce governmental burden and to promote economic growth.

1. Reduce Burdens on Employers. The following steps will simplify and reduce burdens on the more than 5 million employers who must report employment taxes. These employers include not only corporations but also individuals doing business in sole proprietorships and partnerships:

-- Electronic Deposit of Payroll Taxes

Last year employers filed over 80 million paper coupons to accompany federal tax deposits of almost \$850 billion. The IRS has been testing a program to replace the paper coupons with a system to collect and post payroll tax payments electronically. The program is expected to be implemented on an experimental basis in early June. Employers in Atlanta, South Carolina, and Florida may volunteer to participate. Under this program, employers will be able to post their payments without leaving their office — no trips to the bank or waiting in line.

-- Simplified Payroll Tax Regulations

Presently, many employers must make payroll tax deposits as often as twice a week, usually on differing days. If an employer's payroll varies significantly from payday to payday, the deposit requirements may change substantially within the same quarter. These requirements cause confusion, add complexity, and create unnecessary burdens for taxpayers. This week the IRS and Treasury are issuing proposed regulations to simplify these rules significantly and to make compliance easier. Under the proposed regulations, large employers can deposit payroll taxes on a fixed day of the week (Tuesday or Friday depending on the payroll date) and smaller employers will make payroll tax deposits monthly. As many as 75% of all employers will be able to use this monthly rule. These simplifications are expected to reduce payroll tax penalties by more than 20%.

-- Single Wage Reporting

The IRS, Social Security Administration, and Department of Labor are undertaking a joint plan to do away with the duplicate filing of Form W-2 and other payroll tax

information by establishing a Single Wage Reporting System. Traditionally, an employer must file employment tax forms for each employee with the IRS, SSA, and state and local tax agencies. Under the new system, only one filing would be required, saving substantial administrative costs. The IRS, SSA, and DOL this week jointly submitted to OMB a Management Plan setting forth the framework for the project in its initial phase. The federal agencies will work closely with state organizations in designing this system.

-- Form 941EZ

Form 941EZ is a simplified version of the form for reporting federal employment taxes. It is presently under development and is expected to achieve substantial burden reduction. It is estimated that over 3.5 million employers will be able to use Form 941EZ.

-- On-Line TIN Matching

The IRS plans this fall to establish a call-in site to allow employers to verify employee tax identification numbers electronically. The program is expected to be phased-in according to industry groups.

2. Reduce Burdens on Individuals. These steps will reduce burdens for individual taxpayers, including those sole proprietorships and partnerships that will benefit from the initiatives for employers:

-- Joint Federal-State Filing

The IRS is working with states on a pilot program for the joint electronic filing of federal and state tax returns. Under this program, taxpayers provide information at one source; the data moves electronically to the appropriate tax agency. The IRS piloted this program in 1991 in South Carolina to a limited group of taxpayers. In 1992, the program was expanded state-wide in South Carolina and tested on a more limited basis in 6 other states. The IRS expects to expand the program further in the coming year.

-- Relief for Sole Proprietors

On April 1, 1992, the IRS released a published ruling allowing over 16 million sole proprietors (including farmers and taxpayers with rental income) to deduct tax preparation fees as a business expense rather than as a limited itemized deduction.

CONTINUING INITIATIVES

In addition to the new initiatives described above, the IRS and Treasury are engaged in these continuing efforts to reduce the tax burden on the American public:

1. Reduce Burdens on Employers

-- Simplified Forms

Form 940EZ is a simplified version of the form for reporting Federal Unemployment Taxes. Form 940EZ was introduced in 1990 and used by approximately 600,000 employers. In 1991 that number increased dramatically -- approximately 3 million employers used Form 940EZ rather than Form 940. Form 940EZ reduces a 5-part form to a half page 2-part form and is estimated as saving up to 45 million taxpayer hours.

Form 990EZ is a simplified version of the form for information reporting by organizations exempt from tax. Form 990EZ was first introduced in 1990. It reduces a 5-page form to 2 pages and replaces a 67-line balance sheet with 6 lines. The Form may be used by small tax-exempt organizations. In FY 1990 approximately 50,000 organizations filed Form 990EZ. That number increased to 85,000 in FY 1991. Over 100,000 organizations may be able to use Form 990EZ for an estimated savings of almost 8 million taxpayer hours.

-- Educational Initiatives for Small Businesses

In the last year the IRS contacted over 150,000 small businesses who were having difficulty complying with federal tax deposit requirements and is working with these taxpayers to address the compliance burdens. In addition, during FY 1991 the IRS conducted over 2400 Small Business Tax Education Workshops and seminars for over 80,000 executives.

2. Reduce Burdens on Individuals

-- Electronic Filing

Electronic filing allows individuals to avoid the paper burden of filing tax returns. In the past filing season, close to 11 million individual returns were filed electronically, saving an amount of paper that would stretch from Washington D.C. past Moscow. With electronic returns, the error rate falls dramatically, from 15% to 2%. Taxpayers also receive refunds faster (2-3 weeks rather than 6-8 weeks) through direct deposit to their bank accounts. In 1992 the IRS issued

almost \$12 billion in direct deposit refunds for electronically filed returns.

-- Educational Initiatives

The IRS supported programs to help specific taxpayer populations (low income and elderly) file their tax returns. In the first four months of this year these programs aided over 3 million taxpayers.

-- One-Stop Service

In mid-1991 the IRS began to implement a program to use computer technology and on-line data base access to resolve most taxpayer questions during the first call. Taxpayers now may have certain adjustments made to their account based on oral statements over the telephone, without written documentation or correspondence. The rate of call-in account problems that are resolved in a single contact has increased from 56% to 77%.

BILL K. BREWSTER
 3D DISTRICT
 OKLAHOMA

**WORKS AND TRANSPORTATION
 COMMITTEE**

SUBCOMMITTEES:
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 INVESTIGATIONS AND
 OVERSIGHT

VETERANS' AFFAIRS COMMITTEE

SUBCOMMITTEES:
 HOSPITALS AND HEALTH CARE
 HOUSING AND MEMORIAL AFFAIRS



Congress of the United States
House of Representatives
 Washington, DC 20515

WASHINGTON OFFICE:
 1407 LONGWORTH HOUSE OFFICE BUILDING
 WASHINGTON, DC 20515
 (202) 225-4565

DISTRICT OFFICES:

900 N. MISSISSIPPI, SUITE B
 ADA, OK 74820
 (405) 436-1980

118 CARL ALBERT FEDERAL BUILDING
 MCALESTER, OK 74501
 (918) 423-6951

123 W. 7TH AVENUE, SUITE 206
 STILLWATER, OK 74074
 (405) 743-1400

October 30, 1991

Bob Simon
Rm 111 1/2

District Director
 Small Business Administration
 200 N.W. 5th
 Oklahoma City, Oklahoma 73102

To Whom It May Concern:

I am writing in behalf of Mrs. Amelia McCoy of Holdenville, Oklahoma. I strongly feel that Mrs. McCoy is worthy of receiving the Small Business of the Year Award.

Mrs. McCoy has taken an idea from her kitchen table to hundreds of stores across the nation. Her company, Handmade Rainbows & Halos by Amelia, Inc., is indirectly responsible for the livelihoods of over 450 families in my congressional district. Located in the town of Lamar, her company is helping to combat Hughes County's constant double-digit unemployment.

When a grandmother making bows for her family is able to take her skills and build a growing company in the depressed part of rural America, she is to be commended. I am truly grateful to have Handmade Rainbows & Halos in my district.

Thank you for your consideration.

Sincerely,

Bill K. Brewster

Bill K. Brewster
 MEMBER OF CONGRESS

BKB/bb

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
01. Fax	Congressman Bill Brewster to Small Business Association; redaction of telephone number. (1 pp.)	05/11/92	P-6, (b)(6)	

Collection:

Record Group: Bush Presidential Records
Office: Speechwriting, White House Office of
Series: Speech File, Backup
Subseries:
WHORM Cat.:
File Location: Small Business Week 5/12/92

Date Closed: 11/30/2004	OA/ID Number: 07573
FOIA/SYS Case #:	
Re-review Case #: 2004-2265-S	
P-2/P-5 Review Case #:	
MR Case #:	Appeal Case #:
MR Disposition:	Appeal Disposition:
Disposition Date:	Disposition Date:

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

Freedom of Information Act - [5 U.S.C. 552(b)]

- (b)(1) National security classified information [(b)(1) of the FOIA]
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- (b)(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
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- (b)(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- (b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- (b)(9) Release would disclose geological or geophysical information

AMELIA McCOY

HOMEMADE RAINBOWS AND HALOS BY AMELIA, INC.

Personal Data

Amelia McCoy, owner and president of Homemade Rainbows and Halos by Amelia, Inc., has been in business the past 13 years. She is married to George McCoy a retired rancher and lives in Holdenville, Oklahoma. George and Amelia McCoy have three children and seven grandchildren.

Amelia Bernice McCoy
404 Country Club
Holdenville, OK 74848

Owner/President
Handmade Rainbows & Halos by Amelia, Inc.
Rt. 1, Box 12
Lamar, OK 74850 405-379-7272

BUSINESS EXPERIENCE:

1978-Present Rainbows and Halos
Before 1978 Rancher's wife (no previous business experience)

AWARDS AND ACTIVITIES:

Awards - Feature writer - several articles published

Activities - Sunday School teacher, club member, columnist, and freelance writer

History and Philosophy of the Company

Philosophy

Homemade Rainbows and Halos by Amelia, Inc. is a wholesale distributor of ladies hair accessories. The Company contracts with ladies in the Hughes County and surrounding area to make hair bows and other hair accessories. Rainbows and Halos teaches the ladies how to make the bows, sells them the material needed to make the bows, then buys the finished product from them. The Company's philosophy is to provide the consuming public with a quality product at an affordable price. All of the products are completely handmade. The Company is very quality conscious, accepting only those bows that meet their high quality standards. The Company is

also interested in stimulating the local economy by providing jobs for county and state residents.

The major underlying philosophy of the business is making someone feel good. Amelia is very creative. She enjoys working with ribbons, lace, flowers and different color combinations in creating a product. Although she does not manufacture the bows, as she did when she started the business, Amelia does continue to create the new products so necessary for continued success in the market. Amelia's desire to make people feel good, especially little children, has been a driving force in the Company's success. This caring for others philosophy is still ingrained in the business. Amelia cares for the customers who buy her product and for the people in the cottage industry which she organized to produce her product.

History

Rainbows and Halos began as a hobby in 1978. Amelia McCoy wanted to make some hair bows for her infant granddaughters. She sat at her dining room table and made bows for her granddaughters and friends. She soon was designing bows for participants in pageants, dances and other special occasions. Amelia loved to create something that would make children happy. She liked using the ribbons, flowers and lace to make something that made another person feel good. This caring for others is still a major driving force in the businesses success.

As more people saw her bows and asked for them, she decided to try selling her products to retailers and other markets. Her first purchase of materials to manufacture bows for resale was

\$7.78. The sale of products made from the initial material purchased was used to purchase more supplies. Amelia did not take any profit, continuing to put all of her money back into the business.

She was able to convince a Wal-Mart store manager in Holdenville, Oklahoma to let her sell her bows in the store. She was allowed to set up a table at the end of an isle and sell her bows. She would sell all of her bows then go make more bows and come back and sell those bows.

Many times either her husband or a friend would drive her from city to city as she called on different stores selling her bows. She would use the drive time to make bows since she was having to produce as well as sell her bows.

After selling Rainbows and Halos products to the Holdenville Wal-Mart store, Amelia was able to sell other Wal-Mart managers on displaying her bows in their stores. She was considered an assembly vendor able to sell to individual Wal-Mart stores, but not able to ship directly to Wal-Mart warehouses. If a store manager so desired, he could have Amelia pick up all of the bows in the store. This was not the most desired relationship with Wal-Mart, but it was a good start. The best relationship is to be a mandatory vendor. The mandatory suppliers go through Wal-Mart headquarters in Bentonville when supplying Wal-Mart stores. Their products might be discontinued in Wal-Mart stores, but the vendor is paid for all of the inventory in Wal-Mart warehouses and stores.

In 1983 the Company's first building was erected at its present site in Lamar, Oklahoma. There were eight full time employees

making bows and other items. Amelia was traveling a five state area calling on stores and selling the finished products.

By 1985 Rainbows and Halos was selling to 100 Wal-Mart stores. Amelia organized a cottage industry where women in the Hughes county and adjoining area would pick up materials from the office and assemble the bows and other items in their homes. The women would then sell the finished product (bows and other items) to Rainbows and Halos. The firm would then market the products in discount and department stores, supermarkets and childrens stores.

The Company continued its debt-free controlled growth in 1986 and 1987, continuing to sell Wal-Mart store managers on the profitability of selling Rainbows and Halos' products in their stores. The Company has continued to grow through the third quarter of 1991. In July of 1991, Rainbows and Halos was servicing over 800 Wal-Mart stores and numerous other independent and chain stores. In August of 1991, Rainbows and Halos was designated a mandatory supplier for Wal-Mart stores. This allows the Company a permanent location in the Health and Beauty Aids Department in the larger Wal-Mart stores. As a mandatory product in the Wal-Mart stores, Rainbows and Halos will be carried in the largest 1,275 Wal-Mart stores.

When Rainbows and Halos started, there was one product, a simple hair bow design using about one-half yard of ribbons and lace and one button. Today, the Company's line includes approximately 500 designs and buys over one million dollars in materials a year. All of the designs were created by Amelia or their development was supervised by her.

Overcoming Adversity

Amelia has faced much adversity in her 13 years of growing a company. She had to overcome the traditional rancher's wife and grandmother stereo type--cooking, sewing, and taking care of the grandchildren while staying at home. Why a woman her age would want to start a business was another negative attitude she had to overcome. She had to convince store managers and owners that she was serious about establishing a business and not just toying with a hobby. Before a store manager would consider carrying Rainbows and Halos products, she had to assure them she would be in business for more than a year or two. Obviously she was able to assure Wal-Mart managers of her stability by meeting their vendor requirements.

Another adversity that Amelia had to overcome was her rural Oklahoma location which limited her access to supplies. To overcome the supply problem, she had to educate herself on how to purchase, ship, and warehouse. She had very little business background and no knowledge of the best markets for her product. She sought local beauty salons, county childrens pageants and craft shows to get exposure for her product. She was turned down by some store owners and managers as she tried to convince them that her product would be a profitable addition to their stores. She overcame this adversity by continuing to believe in her product and was able to convince many of her early doubters that her product was, in fact, a good addition to their store's product mix. This success led to other stores and eventually to Wal-Mart. The Wal-Mart store in Holdenville, Oklahoma was the first to carry Rainbows and Halos. Amelia sold the manager on the merits of carrying her product line

in his store. This opened the door to selling to many other Wal-Mart stores. She encountered production and shipping problems, but overcame them as she had the market problems, with hard work and a willingness to learn. Amelia dealt with all of the problems by always being courteous, caring, truthful, and honest. Throughout her difficulties, she maintained a quality product and quality customer service.

Financial Growth

Thirteen years later Amelia's patience and caring attitude in dealing with these problems has paid off. Her sales history for the past three years show total sales in 1988 of \$614,956, 1989 of \$1,021,341 and in 1990 of \$2,754,501.

Current financial information (thru the 1991 third quarter) is provided to show the continued growth of the Company. Sales through the third quarter of 1991 were 3.75 million and are projected to be 5 million for the year.

The new mandatory supplier status with Wal-Mart will give Rainbows and Halos an even greater sales potential. Sales are projected to reach 20 million dollars annually in the next five years.

Rainbows and Halos has grown from one employee, Amelia McCoy, in 1978 to eight full time employees. Rainbows and Halos is also responsible for the contract employment of 450 cottage industry workers, 30 sales representatives, and 120 store merchandisers.

The Future

Amelia continued to sell individual Wal-Mart store managers on the merits of stocking Rainbows and Halos's products in their

stores. The number of stores continued to grow through the years with over 800 Wal-Mart stores carrying the product through July of 1991.

In July of 1991, Rainbows and Halos had a major change in its relationship with Wal-Mart. Amelia convinced this large national chain that the "Made in America" products produced by Rainbows and Halos should have a place as a mandatory vendor in the Wal-Mart family of products. In September, 1991 Rainbows and Halos became a mandatory vendor and starting in March of 1992 will be in the 1,275 largest Wal-Mart stores in the United States.

The firm also continues to expand its markets with sales to grocery stores, discount stores, specialty shops and childrens shops. The Company is currently selling to several regional chain stores in the southeastern and southwestern regions of the United States. Rainbows and Halos is currently developing an upscale line of hair bows to be sold in specialty shops. The Company is also looking to market other products that are compatible with the Rainbows and Halos products. Since the firm has the marketing compatibility and the merchandisers necessary to stock Wal-Mart stores and other stores, there is a great potential for increasing sales to present markets and stores.

Contributions to the Economy and Area

Rainbows and Halos has contributed to the economic growth of Hughes county by providing jobs both directly and indirectly to residents of the county. The cottage industry provides approximately 450 families with employment. Other contributions to the community are as follows:

Donated fund for a new fire station
Gifts for Children's Hospital, Tulsa
Donated to Orphanage Home, Shawnee area
Rural Postal Workers Union
County School systems, numerous projects
Special education project
Project to raise money for churches
Awards and grants to graduating students
Talent contest, county wide
Support of a state or national contestant
Donation to Holdenville Chamber of Commerce for the
Candy Bowl
Bought tickets for county amusement events
Sent students to attend Boys State
Donate to cancer and heart drive
Donate to medical bills for a local child with cancer
Donate to needy families at Christmas
Donate to families where homes were destroyed by fire
Help send kids to summer camps
Bought ads in all local school programs
Donated money to support local rodeo
Donated money to help with new library at local school
Gave trophies at local FFA livestock shows
Donated to upkeep of local cemetery
Donated to Homecoming alumni programs
Donated to County parades
Donated to police projects
Bought stickers and donate to highway patrolmen
Bought honor students stickers for school

INTRODUCTION

The U.S. Small Business Administration is a small, independent agency of the federal government. As enacted by Congress in 1953, the SBA's purpose is to aid, counsel, assist and protect the interests of small business. Today, SBA offers financing, training and advocacy for small firms and works with lending, educational and training institutions nationwide. SBA's programs are delivered at agency offices throughout every state, the District of Columbia, the Virgin Islands, Puerto Rico and Guam.

The American economy is affected greatly by its 20 million small businesses. They produce 40 percent of the gross national product and provide jobs, technological innovations and opportunity for entrepreneurial self-determination.

The SBA provides *procurement and technology assistance* to insure that small businesses get a fair share of government purchases and contracts for property, services, and government-sponsored research and development.

To help improve the management skills of small business owners, potential owners and managers, SBA offers *management assistance*, providing technical and product assistance as well as management training and counseling.

SBA *financial assistance* provides better access to capital through a variety of loan programs, surety bond guarantees and small business investment companies. Financial assistance is provided to start-up and existing small business concerns, to victims of natural disasters and economic injury, and to state and local economic development companies.

To protect the interests of small businesses, SBA *advocates* their cause before Congress, the executive branch and state governments as well

as with financial, educational, professional and trade organizations.

The SBA puts *special emphasis* on its assistance to veterans, socially and economically disadvantaged minorities, women and the handicapped.

Each year, the President of the United States designates a week in May as National Small Business Week, leading the nation in a salute to the small business men and women who contribute so much to America's economy and society. The SBA presents awards to small business owners or managers in each state, the District of Columbia, Puerto Rico/Virgin Islands and Guam, whose achievements best exemplify the American entrepreneurial spirit. These prestigious awards are presented during special ceremonies at the state, regional and national levels, culminating with a White House announcement of the National Small Business Person of the Year.

The awards presented are:

- Small Business Person of the Year
- Minority Small Business Advocate of the Year
- Women in Business Advocate of the Year
- Veteran Small Business Advocate of the Year
- Accountant Advocate of the Year
- Financial Services Advocate of the Year
- Media Advocate of the Year
- Small Business Exporter of the Year
- Young Entrepreneur of the Year
- Entrepreneurial Success Award
- Federal Government Small Business Prime Contractor of the Year
- Federal Government Small Business Subcontractor of the Year.

November 1, 1991

District Director
Small Business Administration
200 N. W. 5th
Oklahoma City, OK 73101

TO WHOM IT MAY CONCERN:

On behalf of the Small Business Institute, East Central University, I am pleased to nominate Amelia McCoy for Small Business Person of the Year.

Amelia McCoy is the owner of Handmade Rainbows and Halos by Amelia, Inc. She started the business in 1978 by making hair bows at her dining room table. She has shown a tremendous amount of patience and staying power through the years in growing this business that provides jobs for many Hughes county residents. Hughes county has traditionally had a high unemployment rate, especially since the oil bust. Rainbows and Halos now provides jobs for approximately 450 cottage industry workers who earn approximately \$100,000 for production work each month. In addition to the cottage industry, the firm provides employment for 30 sales representatives and 120 merchandisers.

Amelia spent her first years selling to friends and then store-to-store. She sold Wal-Mart on allowing her to sell her bows to individual stores as an assembly vendor. Amelia had to sell the district managers and store managers on carrying the bows in each store. Through June of 1991 she had sold approximately 800 stores on Rainbows and Halos, but the best was yet to come--because in July of 1991, Amelia convinced Wal-Mart to make Rainbows and Halos a mandatory supplier. This means Rainbows and Halos will not have to sell individual stores, but will be in the 1,275 largest Wal-Mart stores. A big step in the growth of Rainbows and Halos.

Rainbows and Halos has had a slow controlled growth reaching a sales high of 2.75 million in sales for 1990. Amelia McCoy's hard work, drive and caring for others is the reason for the firm's success. She truly is one of the outstanding business people in the United States. Amelia epitomizes the spirit of Oklahoma's work ethic--a vision, then hard work, hard work and more hard work to make it succeed.

Sincerely,



Dr. Walter D. Gaster
Director, Small Business Institute
East Central University
Ada, Oklahoma 74820
(405) 332-8000 Ext. 525



April 1992

Article to Promote
Small Business Week 1992

Each May, the President sets aside a week to honor the accomplishments of many of our nation's most successful entrepreneurs. Last year, as these honorees sat listening in the White House Rose Garden, President Bush praised them as "an extraordinary force at work inside America," one that "embodies America's can-do spirit."

Joann Schulz, the 1991 Small Business Person of the Year, was there that warm spring day. The President recalled the life-threatening accident that disabled her for three years, and the perseverance that earned her two college degrees and graduation with high honors in spite of her misfortune. Then Joann refused to face defeat when financial problems prevented her from continuing her education. She took her experience in the field of ophthalmology and established DGR, Inc., a St. Petersburg, Florida, manufacturer of products for ophthalmic surgeons. Although her trials were not over--Joann suffered the death of her husband and business partner--she went on to build DGR into a multi-million dollar business.

We at the Small Business Administration are proud to have a role in the nation's small business community assisting people like Joann, a role defined almost four decades ago during the Eisenhower Administration. Today, as envisioned, the Agency supports the establishment and growth of small businesses, the backbone of our economy. These smaller firms employ more than 50

- 2 -

percent of the work force, generate 44 percent of all sales, account for 39 percent of the gross domestic product and develop more than half of the nation's technical and industrial innovations.

SBA fosters the progress of America's smaller companies through programs offering financial assistance, training and counseling, and advocacy. In today's challenging economy it is gratifying to promote the establishment and growth of businesses.

It is the accomplishments of small business owners that hold the best hopes for America's future. And that is why we set aside time every year to mark their accomplishments and encourage their potential.

Those who are honored during Small Business Week are chosen from every state, the District of Columbia, Puerto Rico, the Virgin Islands and Guam. From this group a National Small Business Person of the Year is selected. This year that well-deserved recognition comes during the week May 10th through 16th.

Nomination of Kyo Ryoon Jhin To Be Chief Counsel for Advocacy at the Small Business Administration

May 8, 1989

The President today announced his intention to nominate Kyo Ryoon Jhin to be Chief Counsel for Advocacy at the Small Business Administration. He would succeed Frank S. Swain.

Since 1986 Dr. Jhin has been an international trade consultant for Metro Investment Group in Bethesda, MD. He served as assistant superintendent for educational technology for the District of Columbia Public Schools, 1983 to present. He was a senior associate in the Office of Educational Research and Improvement for the Department of Education, 1981-1983; and an ad-

ministrative officer in the Office of School Improvement, 1979-1981. Dr. Jhin was executive director for the Top of Alabama Regional Education Service Agency, 1971-1979. He has served as a member of the National Advisory Council on Adult Education, and vice-chairman, 1977-1978; and chairman of the Committee on Legislative and Government Relations, 1978-1979.

Dr. Jhin graduated from David Lipscomb College (B.A., 1960), New York University (M.A., 1965), Boston College (M.A., 1967), and Auburn University (Ed.D., 1971).

Remarks at the Presentation Ceremony for the Small Business Persons of the Year Awards

May 8, 1989

To the Members of Congress here and all the distinguished guests, first let me welcome Susan Engeleiter, the Administrator of SBA [Small Business Administration], as well as all the State small business people and their families who came here today. I've participated in these ceremonies before, and I'm especially pleased and honored to present these awards today.

As you probably know, I—long ago—was a small businessman myself, and I think, therefore, I know some of the worries that you share—the what-ifs when you're the one in charge. And I know how it feels to start something from scratch, work with it day and night, and hopefully see it succeed. Success goes to those who work hard, refuse to give up, and learn from their mistakes. And there's a saying: If I had my life to live again, I'd make the same mistakes, only sooner. [Laughter] I think small business men and women can understand those words.

You don't have to sell me on the value of small business. The work you do is vital to this nation's economic well-being. And I

brought along some statistics to back that up. Small businesses employ more than half of America's private sector work force. Small businesses account for over a third of our gross national product. And I've saved the best statistics for last. During the past decade, small businesses have created two out of every three new jobs in our economy. And for me, that's the bottom line. Small business is on the business end of growth and at the cutting edge of the economic expansion that's 77 months old and still going strong.

Let me take a moment right here to mention an issue that should be on the top of the list for all small business people: the question of child care. As you know so well, you're more likely to find small business owners sitting around a kitchen table than in a big corporate boardroom someplace. A small business is less a corporation than a family. And like a family, people engaged in a small business enterprise share common aims, a common outlook, and certainly have common interests. And that's the perfect

workplace environment for innovative approaches to meet the concerns and needs of employees. I urge America's small businesses to take the lead in developing creative solutions in child care. I think, for example, of pioneers like Gerald Tsai, Jr., or Jenlane Gee and others who we honored out there today, Asians who have a strong bearing and support in their families for child care. I will do nothing as President of the United States, absolutely nothing, that weakens our family structure. And I encourage small businesses to do everything they can to strengthen the family structure by getting together in a cooperative fashion.

My child care tax credit program is going to benefit small businesses, I believe. I do not believe in these mandated government benefits. I think it has to be decided by the Federal Government, making as flexible as possible the use of child-care tax credits. So, I wanted to take this opportunity, a little off the beaten path, you might say, of honoring these honorees today. But it is very, very important that all of you who are out there trying to produce at competitive rates, competitive ways, help as best you can. You know the value of freedom and flexibility. And so, I just want to see us work together to preserve that freedom in child care and in other issues that affect the way we live and work.

A moment ago, I cited some statistics on the large impact of small business in the American economy. Ceremonies like this one are important because they honor the individuals behind the statistics—the small business people who conceive the idea, take the chance, and make it work. So, today we recognize the best that small business has to offer. And I want to turn now to the awards.

This year there is no fourth place finisher. Instead, we have a tie for third place. And I'll start with Chad Olson of Utah. Chad produces a highly successful line of professional and collegiate sports merchandise. He's marketed franchises in 40 States already. And I understand he's got his eye on all 50. He's got international ambitions as well, with franchise plans for Canada and U.S. military bases overseas. Now, do we do this right now? All right. Chad? Well done. And sharing this third place award with

Chad is Carolyn Stradley of Georgia. She started out as a bookkeeper for a paving company and left that company to do what many here have done—start out on her own. She used a loan from her brother to buy her truck, built her business by taking the small jobs that no one else thought worthwhile; and today she's a success, and equally important, an inspiration to businesswomen everywhere. And so, congratulations to you.

The winner of this year's second place award comes from Kansas—Richard Barlow. Dick is well-known to gourmet cookie makers as the manufacturer of REMA insulated bakeware. He started his business with a family friend just 6 years ago selling these cookie sheets in Oklahoma—in Kansas. And today REMA bakeware is sold in all 50 States and Japan. And so, congratulations to you, Richard. Well done.

And now the 1989 winner, this year's Small Business Person of the Year, Tad Bretting of Wisconsin. I wondered why Senator Kasten was over here. [Laughter] Tad's got business in his blood. His family has been in the machinery business for three generations—almost 100 years. He joined the family business in 1958. And those 30 years have seen the Bretting Company grow and prosper from 11 employees back in 1958 to 260 today, from \$120,000 in sales each year to \$30 million. And today his company is the world's leading producer of high-tech, custom-designed machinery for making paper products. And the secret of Tad's success is the one small business people know so well: it all comes down to taking good care of customers. And so, congratulations to you, Tad.

So, there you have our four winners. This room, though, is full of success stories today. It's in this nation's small businesses that the American spirit, entrepreneurial spirit, takes root and grows. And so, our nation needs you—your drive, your dynamism, your creativity, and your can-do attitude. Congratulations to all of you, and especially to you winners with us here today. Thank you all very much.

Note: The President spoke at 1:40 p.m. in the East Room at the White House. In his

remarks, he referred to Gerald Tsai, Jr., member of the board of directors of Primera, and Jenlane Gee, California Teacher of the Year, 1988.

Message to the Congress Transmitting the District of Columbia Budget Request May 9, 1989

To the Congress of the United States:

In accordance with the District of Columbia Self-Government and Governmental Reorganization Act, I am transmitting the District of Columbia Government's FY 1990 Budget and FY 1989 Budget supplemental.

The District's General Fund 1990 operating budget request is \$3,071 million. Total Federal payments anticipated in the District's budget are \$498 million. The District's FY 1989 budget supplemental contains \$106 million in cost increases and \$79 million in budget authority rescissions, for a net increase of \$27 million. This transmittal does not affect the Federal budget.

There are four District budget issues to which I would direct your attention. First, I would encourage you to continue the abortion funding policy that the Congress established in the District's 1989 appropriations bill that prohibits the use of both Federal and local funds for abortions.

Second, the 1990 Budget repropose an initiative that would require the District of Columbia to charge Federal establishments directly for water and sewer services. The lump-sum appropriation provided in recent years to the District for water and sewer services in Federal buildings increases the deficit unnecessarily because Federal agencies' budgets already contain funds to pay these costs. I urge the Congress to enact this needed reform. Direct billing also re-

duces appropriated Federal payments for nongovernmental entities, such as the American Red Cross and the Pan American Union, as well as for entities outside the appropriations process such as the Postal Service and the Federal Savings and Loan Insurance Corporation. It would encourage Federal agencies to assure the accuracy of bills received and to pursue conservation policies.

Third, I request reinstatement of Presidential apportionment authority over the Federal payment to the District of Columbia. Directing immediate disbursement of the Federal payment at the start of the fiscal year increases Treasury's cost of borrowing. Further, the Congress very clearly did not intend to exempt the District of Columbia from sequestration in the original Gramm-Rudman-Hollings Act, and there is no reason for doing so via an appropriations bill.

Finally, in a related Federal Budget request, I will include a \$1 million supplemental reimbursing the District Government for additional Presidential inaugural expenses incurred above the \$2.3 million appropriated.

I look forward to working with the Congress on these matters.

GEORGE BUSH

The White House,
May 9, 1989.

White House Fact Sheet on the President's Child-Care Principles May 9, 1989

Four basic principles underlie the President's approach to child care:

- Parents, who are best able to make decisions about their children's care,

Remarks at the Presentation Ceremony
for the Small Business Person of the
Year Award and an Exchange With
Reporters

May 7, 1991

The President. Thank you all very much. Please be seated. Thank you from the bottom of my former fibrillating heart. [Laughter] To June Nichols, the Acting Deputy Administrator of the SBA; to the SBA regional administrators with us; especially to the Members of Congress with us today: We're delighted to have you here. I just had the honor of signing the proclamation declaring this Small Business Week, and I'm delighted to be with all of you representing small business. Welcome to the White House, America's ultimate mom-and-pop operation. [Laughter]

I've got to admit, I'm glad to be out of the hospital. It's a little unsettling to turn on the news and see Peter Jennings pointing to a diagram of a heart with your name on it. [Laughter] It's not even Valentine's Day. [Laughter]

But there's an extraordinary force at work inside America, a force that does the good work of this country, a force that embodies America's can-do spirit. And that force, as we all know here today, is small business, made up of over 20 million men and women across the land who have taken control of their own lives, made their own choices and decisions; 20 million who stake out their goals and pursue them with determination and grit and vision; 20 million who believe in themselves, their neighbors, their country. And we're here today to celebrate these 20 million pieces of the American dream.

And we're going to meet five of them. You know, the Small Business Person of the Year is one of the most important awards that is. Because it's an award of the American spirit, a spirit that doesn't understand the word "no."

Joann Schulz wouldn't take no for an answer. When an accident totally disabled her for more than 3 years, she refused to put her life on hold. She earned two degrees in that time. And when she couldn't afford to continue with her education, she found a job in the ophthalmic business. She came up with an idea for making products

for ophthalmic surgeons. And when she did that she wouldn't listen to "no"—she started her own business.

Joann wouldn't give up on life when her husband died suddenly. Instead, she poured her energy into her work. The results: Sales have climbed from virtually nothing to \$5 million in just 5 years. Her staff has grown from 3 employees to 75. What once was virtually a neighborhood operation now sells products in 22 nations around the world.

Joann has conquered adversity, and she's built a future. And for that, we proudly name her the 1991 Small Business Person of the Year. Congratulations.

Leo LeBlanc wouldn't say no to life, either. Just when his wife developed a life-threatening illness, this corporate vice president was fired. Leo didn't give up. He said yes—yes to starting over; yes to finding and pursuing his own dream. He took over Enterprise Brass Works, making equipment for the petroleum industry. He instituted innovative reforms and showed faith in his workers and himself by purchasing the company, putting every asset he owned on the line.

And now Leo says yes to success. In the last decade his company has increased sales 525 percent and added more than 100 jobs. Leo LeBlanc is the Small Business Person of the Year first runner-up. Leo, congratulations to you, sir.

A mother's hastily improvised toy for a bored 5-year-old became Caren Eilrich's ticket to the American dream. In 1984 she and her husband, Mark, and friends produced the first "Space Tubes" in their laundry room. The toys were so successful that the couple risked everything to go into business. Then tragedy struck. Caren died in an accident just 2 years after starting the company. Mark picked up the pieces and, through hard work and loving care and labor, created a lasting memorial to his wife and a model for his country.

Last year Wildewood Creative Products won a Parent's Choice Award. Its sales approached \$3 million. Its staff exceeded 80, and with all supervisors and managers promoted from the production line. We honor Caren's memory and salute Mark, our second runner-up. Congratulations to you

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While Mark embodies determination, Paul Hsu embodies courage. He left Taiwan in search of freedom and opportunity. He found them in America. The company he started, Manufacturing Technology Inc., designs and manufactures sophisticated electronics products. Paul is our National Small Business Prime Contractor of the Year.

The National Small Business Subcontractor Award goes to Bruce Walker's full-service engineering firm that has over 250 professionals—a firm that has performed engineering design work for such clients as the Los Alamos National Lab and the Department of Agriculture—Merrick & Company.

Our five honorees today illustrate the kind of grit and enterprise that have made our land great. You'll notice that many of them conduct business around the world. Our administration is committed to encouraging free trade so that all our entrepreneurs may compete globally.

If I might make a pitch: As you know, we've asked the Congress to extend the Fast Track procedures that have been in effect since 1974. Fast Track really means good faith. It assures our trading partners that we will not alter trade agreements that we've settled with them. Congress has the say. Congress will vote yes or no on these agreements as they were written by our negotiators and their counterparts. It also encourages close cooperation between administration negotiators and Congress. After all, we don't want to submit agreements to Congress that will not pass. Fast Track does not take away Congress' power to accept or reject trade agreements, nor does it railroad the American public into unwise deals. It simply smooths the way for the kind of agreements that American business men and women—people like today's honorees—need to spread their goods and ideas throughout the world.

We salute our five winners, as well as the State winners here today. And we also want to honor the agency founded to help them make their dreams become reality—the SBA, the Small Business Administration. And we want to pay tribute to its dynamic new Administrator, Pat Saiki—a good friend, feisty, outspoken leader—but unfortunately she couldn't be with us today; her husband, Dr. Stanley Saiki, passed away un-

expectedly last week. And our thoughts and prayers are with Pat and her family.

The SBA will play an increasingly vigorous role in this nation's life as we enter the 21st century. Small business has become the chief supplier of new American jobs and opportunities. Many of the great innovations that will change our lives will spring from small business. It really is the place where the future takes shape. Small businesses reward innovation, create jobs, and give people the means by which to claim their piece of the American dream.

Small businesses of America, we salute you, and we offer you our admiration, our respect, and our gratitude. Thank you for your example. And may God bless you all.

President's Health

Q. How you feeling today?

Q. How are you today?

Q. Can you show it to us?

Q. Show it to us.

The President: Do you think I'm Lyndon Johnson?

Q. Have you given up coffee altogether, sir?

The President: Not altogether, I don't think. I'm on Sanka and a decaf now.

Q. Are you going to have caffeine withdrawal? [Laughter]

Note: The President spoke at 10:07 a.m. in the Rose Garden at the White House.

Exchange With Reporters on the President's Health

May 7, 1991

Q. Mr. President, how are you feeling, sir? And is your heartbeat back to completely normal?

The President. Back to normal, and I'm feeling great. And this is a photo op at which I do not take questions. [Laughter] Same old me. Thank you for inquiring.

Q. Do you want Fast Track to succeed? Don't answer that. [Laughter]

The President. Come on, Helen [Helen Thomas, United Press International]. [Laughter]

May 8 / Administration of George Bush, 1990

brought them to just come with me, to be with me, but also so that you could see this new youth that is growing in Bolivia. Thank you. And I know we're going to have very efficient results. And this is a new stage to our relationship.

Note: President Bush spoke at 1:36 p.m. at

the South Portico of the White House. President Paz spoke in Spanish, and his remarks were translated by an interpreter. Prior to their remarks, the two Presidents met privately in the Oval Office and with U.S. and Bolivian officials in the Cabinet Room, and then attended a luncheon in the Old Family Dining Room.

Remarks at the Presentation Ceremony for the Small Business Person of the Year Award

May 8, 1990

Well, thank you all, and welcome to the White House. I'm sorry about the delays getting some of you all in here. But good news—you don't have to show a picture to get out of this madhouse, I've discovered. [Laughter]

It's good to see Secretary Mosbacher here, doing an outstanding job as our Secretary of Commerce. And I am very, very proud of him. And the same can be said for Susan Engeleiter, who is heading up the SBA and also keeping the focus where it belongs.

You know, the people that are gathered here come from 50 States and beyond, hometown heroes who are leading America into the 21st century, as the theme for this Small Business Week proclaims. And today marks a wonderful occasion not only for them but also for our nation and our future.

Small business is the backbone of the U.S. economy, creating two out of every three new jobs, employing half the private work force, accounting for 40 percent of America's total gross national product. And it's one of the reasons Americans are enjoying this longest era of peacetime growth in the history of our country. But, of course, the magic of small business is not in the power of its numbers but in the power of its dreams, of its aspirations.

And each of your businesses began as the dream of one man or one woman and soon became a dream for many others. And I look at people like Phyllis Apfelbaum, one of today's finalists, whose messenger service in Chicago provides jobs for over a hundred

people in transitional neighborhoods. Every job you create can mean another family with a future, another family with hope, another family with a chance for the American dream.

And as a former small business person, I know firsthand the struggles of entrepreneurs and growing businesses, the combination of adrenaline and anxiety, the adversity and the adventures that fills your days.

Iowa's Barney Roberts started his empire out of his basement. David Mathews began his ironworks on an Arkansas mountaintop without electricity or running water. Oatmeal Studios Greeting Cards were launched at a place called the Frog Hollow Craft Center. And Phyllis slept on the floor and was told no 17 times before her messenger business was licensed. By her own description, she broke the logjam when she walked into the commissioner's office—and I quote—"screamed like a fish seller on Maxwell Street." [Laughter] I don't know where Maxwell Street might be, but I can tell you, I can just picture it. [Laughter] Phyllis, don't do it here, okay? [Laughter]

All four are American success stories. All four know that no nation ever drowned in sweat. And all four know that good citizenship is good business, reaching out from their communities to the homeless and the Special Olympics and others.

Their rules are simple and they make sense. "People are our best assets," says Barney, "take care of them and they won't leave." And Phyllis says, "You have to love what you're doing." And David's time-

proven formula for success needs just three words: "Never sacrifice quality." And Oatmeal Greeting Cards' Joe Massimino describes their brand of humor as "Not corny, not punny, not bizarre, not offensive."

I'm not the first President to recognize and appreciate the importance of smaller companies. And today is Harry Truman's birthday, and as always, he told it like it is. He said: "You don't have a prosperous country unless the little man—the farmer, the worker, the small businessman—is well-off. And when the little man prospers, big business gets along just fine."

Well, that's why one of my priorities after assuming the office was to develop Federal policies that promote and support this vital sector of our economy. We're revitalizing—thanks to Susan—the Small Business Administration. We're working to ensure the interests and concerns of small business are made part and parcel of efforts such as Federal contract procurement. And we need your support on one of this year's top legislative priorities. And of course, I'm talking on a tax cut on capital gains. Especially for small businesses and entrepreneurs, it will attract start-up capital, provide more long-term investment, create new jobs, and help level a playing field with our trading part-

ners overseas, some of whom don't tax capital gains at all.

The strength of America lies with those who are willing to take a chance in small business and build for the future. And it's here you find the determination and the ingenuity and the vision that have created the enterprises which drive our economy and enrich our lives. It is around small businesses that you find communities growing and prospering. It is here where women and minorities make their mark as business owners. It is here where you find so many of the Thousand Points of Light that are aiding those in need all across the country. We can take pride in the fact that nations around the world are using small business in the United States as a model for economic growth. So, small business is America at its best. And it's a pleasure for me to recognize those who have excelled in this vital field of endeavor.

Congratulations! Thanks, and I'm delighted you all came to the White House. And now I'll turn the podium over to Susan Engleiter to present today's awards. Thank you all very, very much.

Note. The President spoke at 2:15 p.m. in Room 450 of the Old Executive Office Building.

Statement on the Observance of Schuman Day May 9, 1990

On May 9, the European Community will celebrate Schuman Day. This year the occasion is particularly momentous, as it marks the 40th anniversary of the 1950 Declaration which initiated the European Coal and Steel Community and started a chain of events in European integration which has led to the strong and vibrant European Community of today. The early efforts were led by European statesmen of vision: Robert Schuman, Jean Monnet, Konrad Adenauer, Alcide de Gasperi, and Paul-Henri Spaak, among others. They foresaw clearly the need for a more integrated Europe that would reach beyond a customs

union to an entity that would integrate Europe politically and economically.

From those difficult post-war days, Americans have shared that dream and encouraged it. President Eisenhower and Secretaries Marshall and Acheson, strong supporters of European integration, foresaw that our transatlantic alliance would preserve the peace in Europe and that the example of Western economic prosperity and multi-party democracy would lead to change in the Soviet Union and Eastern Europe. The United States is proud of the role its support and presence in Europe have played in furthering European integration.

THE WHITE HOUSE
WASHINGTON

DATE: May 11

TO: Bob Rubin

FROM: KATHY SHANAHAN
Associate Director
Office of Cabinet Liaison
Room 239, OEOB, x2800

Attached is background on
Small Business Week, and
the award winners for
tomorrow's speech.

I'll get you the draft fact
sheet on the IRS announcement
as soon as it's available.

Call if you need more.

SMALL BUSINESS WEEK 1992



National
*
Winner



Cameron D. James, President
Mills-James Productions
3545 Fishinger Boulevard
Hilliard, OH 43026
(614) 777-9933

Kenneth P. Mills, Vice President/Treasurer
Mills-James Productions
3545 Fishinger Boulevard
Hilliard, OH 43026
(614) 777-9933

Amelia B. McCoy, CEO
Handmade Rainbows and Halos by Amelia, Inc.
Route 1, Box 12
Lamar, OK 74850
(405) 379-7272

The video industry is one of the fastest growing industries in the United States, and Kenneth Mills and Cameron James are taking full advantage of all the opportunities that this growth affords.

Started in 1984 with a few thousand dollars in personal funds, a small bank loan and no employees, Mills-James Productions has become the largest video production company in central Ohio. The company specializes in electronic media production, including corporate videotapes, television and radio commercials, and business theater presentations.

Mills-James has experienced steady growth from the beginning and has always shown a profit. By its second year, the company was billing more than \$1 million annually. After acquiring video production facilities from another company in 1988, it experienced rapid growth. Revenues were approximately \$4 million in 1990, with \$5 million projected for 1991. A recent SBA-backed loan helped build a 22,000 sq. ft. expansion housing two sound stages. The firm has won scores of honors, including an Emmy and an award from the New York Film Festival.

Mills-James currently employs about 50 people, including writers, directors, video editors, videographers, computer graphics designers and support personnel. It also provides internships for high school and college students studying communications, advertising and film.

James and Mills have frequently donated thousands of dollars worth of services and facilities to area non-profit groups. Both are involved in a number of professional and civic organizations.

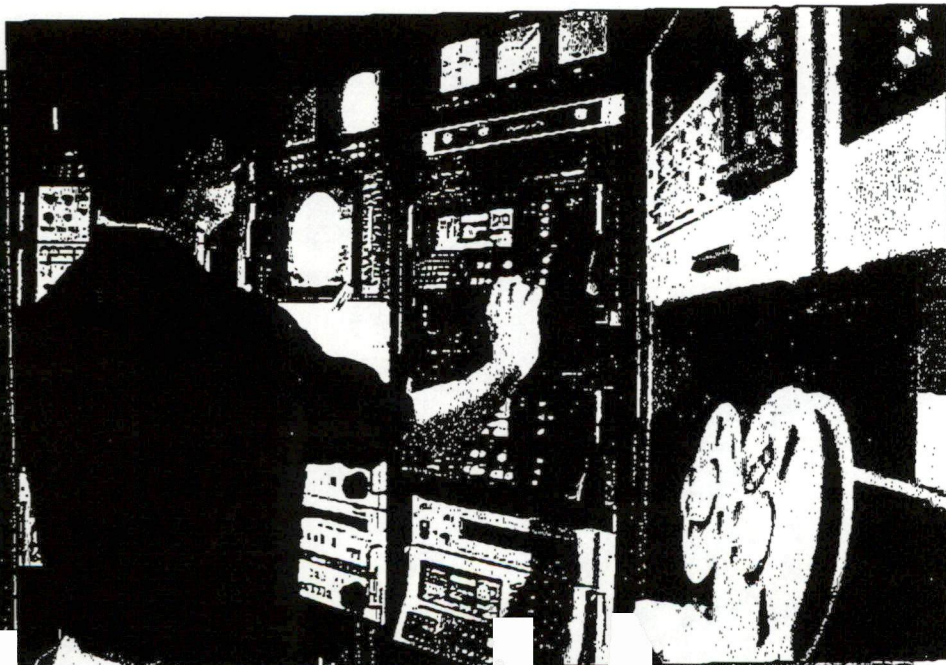
In 1978, Amelia McCoy made some hair bows for her infant granddaughters and some friends. Before long, she was making them for participants in pageants, dances and other special events. In 1983, the business had eight employees and a new building, and by 1985, demand was so great that McCoy organized the cottage industry. Today, what started as a hobby with a \$7.78 investment and one simple bow design has grown into a successful multimillion-dollar business. Now local women assemble bows and other items in their homes and sell them to Rainbows and Halos, which in turn markets them to department stores, supermarkets and children's stores.

Rainbows and Halos provides jobs — in an area with high unemployment — for nearly 450 cottage industry workers, who earn approximately \$100,000 for production work each month. The firm also employs eight full-time workers, 30 sales representatives and 120 merchandisers.

Major success began when McCoy convinced local Wal-Mart stores to carry her bows. By 1985, Rainbows and Halos was selling to 100 Wal-Marts. The company is now a mandatory vendor and is in the 1,275 largest Wal-Mart stores in the U.S.

Today, the Rainbows and Halos product line includes nearly 500 designs created or supervised by McCoy, with a line of compatible products in development. Sales in 1991 were projected at \$5 million.

In addition to economic growth and employment opportunities, McCoy participates in and generously supports numerous other civic, community and charitable activities.



THE STATE SMALL BUSINESS PERSONS OF THE YEAR



Cheryl A. Cwiklinski, President/Owner
Comprehensive Computerized Business
dba CCB Services, Inc.
1701 Golf Road
Tower 2, Suite 109
Rolling Meadows, IL 60008
(708) 228-1801

Since age 17, Cheryl Cwiklinski has wanted to have her own business. After 21 years of computer experience, which encompassed all aspects of the personal computer/word processing industry, Cwiklinski saw an opportunity to couple her high-tech skills with the industry's need for ongoing, customized training for personnel. With only \$16,000 in savings and five accounts, Cwiklinski started CCB Services, Inc., in 1982. A year later, she offered all her major assets as collateral for a modest \$20,000 expansion loan, and the risk paid off. By 1989, revenues exceeded \$2 million and today, CCB is a multi-dimensional corporation which offers a myriad of high-tech services to Fortune 500 clients.

CCB offers full-service personnel placements, PC/WP training, complete office automation consulting, secretarial support and desktop publishing expertise. The company's client list reads like a *Who's Who* in corporate America — Ameritech, AT&T, First Card, IBM, Quaker Oats, and Xerox to name a few.

Cwiklinski is one of the most highly respected experts in the information systems industry. She has won numerous awards, appeared on major television and radio broadcasts, written articles for various business publications, and is an accomplished speaker and lecturer. She also serves on numerous business and community boards. Cwiklinski and her staff reflect the company's motto and philosophy "Different by Design," with a commitment to excellence.



James W. Fleming, President
Aero Metals, Inc.
402 Darlington Street
LaPorte, IN 46350
(219) 326-1976

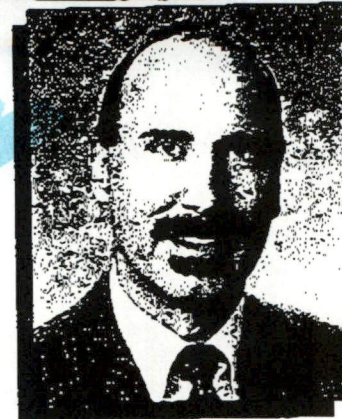
James Fleming is the quintessential entrepreneur. His investment casting business has evolved from a start-up operation in his basement to an international \$15 million company with 250 employees. Aero Metals, Inc. provides quality components for a variety of industries including aerospace and defense, automotive, agriculture, military, computer and many others. Among its better-known customers are Sears and Snap-on.

Much of Fleming's success stems from a sincere desire to develop a rapport with all of his employees. He is both willing and able to roll up his sleeves and provide hands-on assistance for any task. A humble man who credits his employees with his success, he has cultivated a real team atmosphere. Unions have tried and failed to organize his shop.

One of Fleming's first major accomplishments was the design of the equipment line to produce Jiffy Pop popcorn. He worked with MIT professors and top surgeons to design innovative medical equipment used in hip replacements and has several patents on the market for medical equipment. He also designs his own equipment.

Aero responds rapidly to technological advances by investing in equipment and employees. Fleming strongly emphasizes education, and the company pays for work-related tuition. Fleming also teaches a variety of classes to improve skills and half of his employees are involved in training.

He devotes valuable time and money to various community and educational projects and serves on the executive committees of numerous civic boards. He is chairman of the Partners in Education committee of the chamber of commerce.



Richard W. Stewart, CEO
Frontier Cooperative Herbs
Box 299
Norway, LA 52318
(319) 227-7996

Richard Stewart was supposed to become a diesel mechanic. At least, that was his ambition when he decided to sell natural herbs and spices as a hobby in 1976. By the fall of 1977, Frontier Cooperative Herbs had so many customers, Stewart went to work full time in the business.

In 1981, with sales over \$1 million, he attended an SBA cash-flow seminar, prepared his first cash-flow statement and finally got his first bank loan. In 1983, he started night school and over the next eight years earned a degree in business administration (with a 4.0) and numerous awards. He has done just as well at Frontier. The company has become America's largest supplier of bulk herbs, spices, natural oils and extracts, and gourmet coffees and teas to the natural foods industry, dominating this market niche with an estimated 80 percent market share.

Sales grew from \$18,000 in 1976 to over \$2 million by 1983, when the company was named by *Inc.* as one of the 100 fastest-growing small companies in the U.S. After 15 consecutive years of sales growth, with 1992 sales estimated at \$16 million, Frontier soon expects to be one of the top five manufacturers in the industry.

Frontier is the largest private employer in Benton County; 165 people work at its plant, which offers a national model child care facility, gymnasium, weight room and full-service cafeteria. It has developed its own unique machinery and processing and, with improved productivity, has increased benefits to its employees. The firm also supports development projects in Peru and Mexico. Stewart is on the boards of several cooperatives and the Cedar Rapids chamber of commerce.



**U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416**



**SMALL BUSINESS WEEK
MAY 10-16, 1992
FACT SHEET**

Each year for the past 28 years, the President of the United States has designated a week in May as Small Business Week. In 1992, Small Business Week will be held from May 10 through May 16. The theme for Small Business Week is "Small Business: Building America's Future."

Small Business Person of the Year

Small Business Week recognizes outstanding small business owners for their personal achievements and contributions to our nation's economy. One outstanding entrepreneur is named in each state, the District of Columbia, Puerto Rico/Virgin Islands, and Guam as the state Small Business Person of the Year. From this group the national Small Business Person of the Year is chosen.

Trade associations, chambers of commerce and business organizations frequently sponsor candidates. Sponsors submit a nomination package to the nearest SBA district office for review and selection by each district's Small Business Advisory Council. Nomination packages are then sent to regional SBA offices where Regional Advisory Councils select regional award winners. Finally, the SBA National Advisory Council selects the National Small Business Person of the Year and other national winners.

Selection criteria for Small Business Persons of the Year are:

- * **Staying power:** a substantiated history as an established business.
- * **Growth in number of employees:** a benchmark to judge the impact of the business on the job market.
- * **Increase in sales and/or unit volume:** an indication of continued growth.
- * **Current and past financial reports:** substantiating the improved financial position of the business; a profit-and-loss statement and balance sheet for the last three complete years.
- * **Innovativeness of product or service offered:** illustrations of the creativity and imagination of the nominee.
- * **Response to adversity:** examples of problems faced in the nominee's business and the methods used to solve them.
- * **Evidence of contributions by nominee to aid community-oriented projects:** through the use of his/her personal time and other resources.

2.

Candidates are rated on a scale from one to five points in each of the preceding categories.

Special Award Winners

During Small Business Week, Small Business Advocates and Special Award Winners are also honored.

A small business advocate is an individual who has used his or her professional expertise or personal talents to further the understanding and awareness of small business. These individuals have also taken an active role in creating opportunities for small business.

The following advocate awards are presented:

- * Minority Small Business Advocate of the Year
- * Women in Business Advocate of the Year
- * Veteran Small Business Advocate of the Year
- * Accountant Advocate of the Year
- * Financial Services Advocate of the Year
- * Media Advocate of the Year

The following special awards are presented:

- * Small Business Exporter of the Year
- * Young Entrepreneur of the Year
- * Entrepreneur Success Award (a small business that has received SBA assistance and has grown into a large business)

Prime and Subcontractor of the Year

A Small Business Prime Contractor of the Year and a Subcontractor of the Year will be recognized in each of the 10 SBA regions for their outstanding performance under federal contracts. National winners in each category, selected from among the regional winners, will also be honored during the national Small Business Week activities in Washington, D.C.



MESSAGE FROM THE ADMINISTRATOR

Throughout our history, small businesses have played a key role in the vitality of our nation. Weathering the hard times and prospering in the good, they have, as a group, been the top employer and trainer of our work force and the mainstay of our economy. Today, their reach is global, with exports to every corner of the world.

A business is only as good as its people, and here again, small businesses lead the way. Because it is in small businesses that we find most of the innovators, the open, creative minds that are on the cutting edge of every field. Here are not only brilliant minds, but also men and women with a dream and the determination to make it a reality. Here are people achieving success by sheer will and hard work, often overcoming great odds and taking great risks. And here are leaders, inspiring those around them to go the extra mile, to reach for success.

Here are also generous people, who give back to their communities far more than they receive. Small business people give, per capita, more than large corporations. And they are the ones actively involved, giving freely of goods and services, time and talent to everything from boards of education to Little League, from fund-raisers to environmental action groups. They are the backbone of our society, and their caring, their involvement and their generosity are an inspiration to us all.

You, the small business people of America, are our constituency at SBA. We are privileged to serve you as an advocate, investor and counselor, helping you build America's future. Faced with tough economic times, we are doing our best to loosen credit, to make much-needed money available to small businesses. And how it is needed — since September, the demand on our loan guarantee program has soared 30 percent. In hardest-hit New England, our economic recovery program is helping viable companies stay alive, and the demand is tremendous. But we are determined to find a way to meet these needs, to face the challenge and win the fight. Together, the SBA and small business have weathered economic crises before, and we will again.

This week, we take time to pay tribute to some of the brightest and best small business people from across the nation. You, our winners, come from every walk of life, but you are bound by a common thread: you are making your dream come true, and in doing so, are providing job opportunities and stimulating the economy. We are proud to honor your achievements and we thank you for your immeasurable contributions to the nation and the world.

As Administrator of the Small Business Administration, I want to personally congratulate each of you — I am proud of you, I support you and I salute you.

Pat Saiki

Patricia Saiki
Administrator