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Series: Speech File Draft Files
Subseries: Chron File, 1989-1993

OA/ID Number: 13638
Folder ID Number: 13638-007

Folder Title:
Small Business Event 9/4/92 [OA 5812]

Stack:	Row:	Section:	Shelf:	Position:
G	26	18	4	4

**SMALL BUSINESS EVENT \ FREDERICKSBURG, VIRGINIA
FRIDAY, SEPTEMBER 4, 1992 \ 11:00 A.M.**

**THANK YOU, DORI EGLEVSKI [DOR-EE EE-GLEFF-SKEE].
GREETINGS TO CONGRESSMAN GEORGE ALLEN, AND TO
CONGRESSMAN HERB BATEMAN, WHO'S DOING SUCH A SUPERB JOB
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ACKNOWLEDGE THE OLYMPIANS FROM STAFFORD COUNTY:**

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FROM TAXES, TO REGULATIONS, TO HEALTH CARE, TO THE LITIGATION EXPLOSION -- THIS ELECTION IS A CONTEST BETWEEN TWO VERY DIFFERENT VIEWS OF BUSINESS, AND OF HOW OUR ECONOMY WORKS.

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MY PLAN DOES WHAT'S GOOD FOR SMALL BUSINESS ...
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WHITE HOUSE STAFFING MEMORANDUM

DATE: 9/3/92 ACTION/CONCURRENCE/COMMENT DUE BY: TODAY, ASAP!!!

PRESIDENTIAL REMARKS: SMALL BUSINESS EVENT
 SUBJECT: FREDRICKSBURG, VIRGINIA - 9/4/92 - 9:30 a.m

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCBRIDE	<input type="checkbox"/>	<input checked="" type="checkbox"/>
BAKER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	X MOORE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input type="checkbox"/>	<input type="checkbox"/>	X MULLINS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BATES	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	X PROVOST	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	X ZOELICK	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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HORNER	<input type="checkbox"/>	<input type="checkbox"/>	BOSKIN NK	<input checked="" type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please forward your comments directly to Dan McGroarty, Rm. 122, x2930, AS SOON AS POSSIBLE, with a copy to this office. Thank you.

RESPONSE:

[Handwritten signature]

PHILLIP D. BRADY
 Assistant to the President
 and Staff Secretary
 Ext. 2702

Ferguson/McGroarty/Gershowitz
September 3, 1992
2:30 p.m.
[small]

2 SEP 3 P2:35

PRESIDENTIAL REMARKS: SMALL BUSINESS EVENT
FREDRICKSBURG, VIRGINIA
SEPTEMBER 4, 1992
9:30 A.M. ??

Thank you, ----- . [Acknowledgments. Local color.]

I came here today to make a point -- to drive home the fact that businesses like [xxxxxxx] and [xxxxxxx] do more than sell [nails and doorknobs and drywall]. They generate the hope and pride and jobs that hold this community together.

America has been through a tough economic adjustment. Many of this country's larger companies have retrenched and restructured -- and it's caused a lot of hardship for working Americans. But even in these tough times, America's small businesses have stayed strong -- creating new products by the hundreds ... and new jobs by the thousands. That shouldn't really surprise us, because small businesses are often the first to adapt to a changing economy -- the first to turn change to advantage -- the force at the leading edge of economic recovery.

//

That's an important point to understand these days. Because today, the defining challenge of the '90s is to win the competition in the new global economy.

Our goal is simple and straightforward: In the 21st century, America must be not only a military superpower -- but an export superpower, an economic superpower.

In this election, you'll hear two versions of how to do this. My opponent's answer is to look inward -- to pretend we can protect what we already have. Ours is to look forward -- to open new markets, prepare our people to compete, restore the social fabric, to save and invest -- so that we can win.

That's why I've placed small business at the heart of our agenda for America's economic future. Small businesses employ half our workforce, create two-thirds of the new jobs in America. They're the hothouse for innovation, risk-taking, new ideas -- the powerful engine that will take our economy into the 21st century.

So let me declare my bias right up front: when it comes to renewing the American economy, my loyalty lies with small business. You see, I've seen this economy from the other side. I've run a small business -- built it from the ground up, with a lot of help. I know what it's like to sweat out a tough deal, knock on doors to find investors, shop for credit, try your darndest to meet the next payroll. And I even had the ulcers to prove it.

I happen to think that's not a bad qualification for being President of the United States.

And maybe that accounts for the sharp difference between me and my opponent when it comes to the economy.

Now I know it's political season: Talk is as cheap as a two-penny nail. When you go into that voting booth November 3rd -- when you pull that curtain closed -- ask yourselves: Which

candidate understands what makes this economy work? Do they look at small business, and see the backbone of the American economy - or the goose that laid the Golden Egg? //

It matters -- to Fredricksburg, and to communities just like this one all across America.

Because if you don't know, let me tell you what the other side has in store:

My opponent starts with a big idea -- and it's called big government. Governor Clinton is pushing for \$220 billion dollars in new spending -- and Newsweek magazine says his programs will cost at least three times that amount.

So how will he pay for it? Well, nobody knows for sure -- but he's already advocating another \$150 billion in new income taxes.

Now, he says he wants to soak the rich -- raise taxes on the top 2%. What they won't tell you is three out of every four people in the top 2 percent are small businessmen or family farmers. These folks aren't millionaires -- they're Mom and Pop, Inc.

My opponent offers small business a reverse version of "Lifestyles of the Rich and Famous." You may not live like a millionaire -- but you're taxed like one. //

They're also going to come after small business to foot the bill for a government take-over of health care: They're talking about a new payroll tax of at least 7 percent -- out of your pockets.

And before they're done, they're going to zero in on small business and scoop \$40 billion right out of the till -- \$40 billion in broad daylight. Those are the facts.

Governor Clinton's tax plan will take away more than half the total profits of all small businesses combined. //

Think about that for minute: That's money small business has earned -- that they can use to buy that new piece of equipment, or build that new addition to their plant, or hire those two new salesman or computer hackers. I say: let's leave it up to them. The American people know better than some Washington budget planner how to spend their own money.

So that's my opponents' plan: \$150 billion in new taxes ... a new 7 percent payroll tax ... not to mention a new job training tax. Add it up, and it equals 2.6 million: 2.6 million jobs lost. 2.6 million Americans, thrown out of work ... and onto welfare -- because my opponent thinks government deserves a pay raise.

[[For the life of me, I can't think how that's good for small business -- unless your business happens to be selling pink slips at the stationery store.]]

I don't think that's what small business needs -- and I know it's not what Americans want.

My agenda for our economic future is very different. My opponent sees small business as a piggy bank to finance some bureaucratic wish list; I see it as the engine of American economic growth, the place where the economy regenerates itself.

I want to help this nation's small businesses do what they do best -- create jobs and opportunity right here in your community.

My plan will work -- because I know how businesses work. Studies show that at least one-third of small businesses want to expand -- but can't. We have to attack the obstacles that keep them from doing so.

We start by reducing the burden of government regulation. A few days ago I was out in Western Michigan, talking to a group of small business leaders, and I met a guy who runs an asphalt paving company. He said, "Mr. President, government regulations are killing us." He made the point that when a regulation doesn't make sense, it's the worker who pays -- with his job.

So in January of this year, I ordered a freeze on federal regulations -- a top-to-bottom reform designed to speed up those regulations that encourage our businesses to grow, and throttle those that don't.

To stay a step ahead of the competition, a small business needs the freedom to take risks, to innovate, without waiting for Washington's approval.

Businesses can't grow without capital. We've made great strides in overcoming the credit crunch that reduced the investment small businesses need. This year we've increased by more than 50 percent the general business loan guarantees offered through the Small Business Administration -- more than \$6 billion through 1992.

Third, we must reduce the tax burden on small business. I've ordered the IRS to change regulations so that small businesses can deposit payroll taxes on a monthly basis. And we're now developing a Single Wage Reporting System -- so small businesses can report their wage information through a single entity -- rather than maneuver through the maze of federal and state tax collectors.

But when you own a small business, how you pay your taxes is less important than how much you pay. Because we know that almost half of all new businesses literally begin at home -- when enterprisers convert their own "nest eggs" into capital -- we want to cut the tax on capital gains. And we're fighting for an investment tax allowance, to get companies buying new equipment, and hiring new workers.

Right now, for small business, there's one need that dwarfs all others: the need to reform our nation's health care system. The costs of health care are crushing many small businesses. Our plan is comprehensive, eases the burden on small business, and will not place our health care system in the hands of the people who brought you the House Post Office.

As long as I'm President, there will be no government takeover of health care.

We will, however, build on our system's greatest strength - the quality of care in the United States is the finest in the world. We want small businesses to take advantage of that fact. Our plan contains incentives for small employers to pool their

resources -- to form Health Insurance Networks that can strike the best deal in obtaining coverage for their employees. It's based on the principle of economies of scale -- a principle that often leaves small businesses at a distinct disadvantage.

A single small employer often can't carry the risk and can't bear the cost of health coverage. Our Health Insurance Networks address both problems: allowing businesses to spread risk, while at the same time greatly enhancing their purchase power. And the networks will keep government from controlling how you address you own health-care decisions.

From taxes, to regulations, to spending, to health care -- this election is a contest between two very different view of business, and of how our economy works.

Here's the bottom line: The other side talks a good game - - and then taxes and spends and regulates you to death. Small business shouldn't be big-government's piggy bank.

My plan does what's good for small business ... what's good for American jobs and American workers ... what's right for America. //

Thank you once again for this warm welcome -- and may God bless the United States of America.

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THE WHITE HOUSE

WASHINGTON

92 SEP 3 10:10

September 3, 1992

MEMORANDUM FOR THE PRESIDENT

FROM: ANDY FERGUSON *AF*

THROUGH: STEVEN PROVOST *SP*

SUBJECT: PROPOSED REMARKS ON SMALL BUSINESS

Summary:

On Friday, September 4, 1992, you will address the citizens of Fredricksburg, Virginia at approximately 11:00 a.m. Congressman George Allen and Congressman Herb Bateman will be in attendance. You will be introduced by Ms. Dori Eglevsky, President of the Fredericksburg Chamber of Commerce.

Discussion:

Your remarks (16 minutes / cards) discuss the importance of small business to economic growth and compare your approach with Gov. Clinton.

Please note: Goolrick's is a drugstore in Fredericksburg.

*INCORPORATES
ZOLLIG'S
CHANGES*

Ferguson/McGroarty/Gershowitz
September 3, 1992
10:00 p.m.
[small]

PRESIDENTIAL REMARKS: SMALL BUSINESS EVENT
FREDERICKSBURG, VIRGINIA
SEPTEMBER 4, 1992
11:00 A.M.

Thank you, Dori Eglevski [DOR-ee ee-GLEFF-skee].

Greetings to Congressman George Allen, and to Congressman Herb Bateman, who's doing such a superb job representing his state and his district. And hello to State Delegates Bill Howell and Bobby Orrock, and to Mayor Lawrence Davies.

((I told Barbara I was hopping down to a hardware store this morning. She told me I'd better come back with the tools to fix Millie's doghouse -- or else I'd be building my own.))

I've come to Fredericksburg this morning to talk about small business -- to drive home the fact that businesses like Fredericksburg Hardware and Goolrick's do more than sell doorknobs and drywall, hairnets and lipsticks. Small business generates the hope and pride and jobs that hold this community together.

America's economy is working its way through a period of profound change. Many of this country's larger companies have retrenched and restructured -- and I know those changes have been difficult for many working Americans. But America's small businesses have shown staying power -- creating new products by the thousands ... and new jobs by the hundreds of thousands. That shouldn't really surprise us, because small businesses are often the first to adapt to a changing economy -- the first to

turn change to advantage -- the force at the leading edge of economic recovery. //

That's why it's so critical these days that we concentrate on the importance of small businesses to our economy. Because today, the defining challenge of the '90s is to reinvigorate our national economy, so that we can win the competition in the new global economy.

In this election, you'll hear two versions of how to do this. My opponent's answer is to look inward -- to pretend that we can protect what we already have. Ours is to look forward -- to open new markets, prepare our people to compete, restore the social fabric, to save and invest -- so that we can win.

That's why I've placed small business at the heart of our agenda for America's economic future. Small businesses employ over half our workforce, create two-thirds of the new jobs in America. They're the hothouse for innovation, risk-taking, new ideas -- the powerful engine that will take our economy into the 21st Century.

So let me declare my bias right up front: when it comes to renewing the American economy, my loyalty lies with small business. You know, I've run a small business -- built it from the ground up, with a lot of help from partners and employees. I know what it's like to sweat out a tough deal, knock on doors to find investors, shop for credit, try your darndest to meet the next payroll. And I even had the ulcers to prove it.

I happen to think that's not a bad qualification for being President of the United States. //

Nationwide, at least one-third of small businesses say they want to expand -- but they're being held back. So we must help them do what they do better than anybody: create jobs and opportunity right here -- in communities like Fredericksburg.

That means three things: relief from excess government regulation, increased access to credit and investment, and a lighter tax burden.

We start by lifting the dead hand of government over-regulation. A few days ago I was out in Western Michigan, talking to a group of small business leaders, and I met a guy who runs an asphalt paving company. He said, "Mr. President, when a regulation doesn't make sense, it's the worker who pays -- with his job."

We're tackling this problem head-on. In January of this year, I ordered a freeze on federal regulations. The businessmen and women of America have enough to worry about without Washington double-checking their every move.

But even without the burden of over-regulation, businesses can't grow without capital. The credit crunch has hit our small businesses hard. That's why we've been working with bankers and regulators across the country to ease the crunch. And I've had the Small Business Administration working double-time to help credit-starved businesses. This year, for example, we've increased by more than 30 percent the general business loan

guarantees offered through SBA -- more than \$6 billion worth through 1992.

I've also been working with Congress to get something done about the problem. And this morning, you'll see the result. I've come here to Fredericksburg to sign a new piece of legislation: the Small Business Credit and Business Opportunity Enhancement Act, which will loosen up credit even more for deserving small businesses.

Not only does it increase the levels of SBA loan guarantees, it creates new ways of bringing investment to small business owners. And it especially reaches out to women and minority entrepreneurs who want to get started. I've always believed the best economic program is a job. This bill gives Americans the tools to create jobs.

Now, all the credit in the world won't help small businesses if they're taxed too much. We must reduce the tax burden on small business.

Already we've taken a number of steps to streamline the way small businesses pay their taxes.

To give one example: Right now, small businesses have to file payroll taxes twice a week. That's a waste. I've proposed we change it to once a month, so businessmen and women can get back to the business of running their business.

But when you own a small business, how you pay your taxes is less important than how much you pay. None of our industrial competitors taxes capital gains at our punitive rates. We've got

to get investment flowing to our small businesses. Almost half of all new businesses literally begin at home -- when enterprisers convert their own "nest eggs" into capital. It's time to reward their initiative and drive. It's time to cut the tax on capital gains. //

That's my agenda for small business: three obstacles, and three concrete steps to clear the obstacles from our path.

Now, where does Mr. Clinton stand on small business? It's a strange coincidence, but his plan has three parts, too: Taxes, taxes, and taxes.

Our differences couldn't be sharper. I see small business as the backbone of the American economy. Mr. Clinton sees it as the goose that laid the Golden Egg. //

He starts with a big idea -- it's called big government. Mr. Clinton says he wants \$220 billion dollars in new government spending.

How will he pay for it? Well, nobody knows for sure -- but he's already advocating another \$150 billion in new taxes. Now, he says he wants to soak the rich -- raise taxes on the top 2 percent. What he won't tell you is this: two out of every three people hit by his tax increases are small businessmen or family farmers. These folks aren't millionaires -- they're Mom and Pop, Inc.

I guess my opponent offers small business a reverse version of "Lifestyles of the Rich and Famous." You may not live like a millionaire -- but you can be taxed like one. //

He's also backing a health care plan called "Play or Pay." The plan will leave small businesses with two options: One, cut workers' wages to pay for mandated health care. Or two, fire some workers and use the savings to cover the rest.

According to an independent Urban Institute study, the plan will lead to a 7 percent payroll tax for those businesses who don't "play" the government's game. Another estimate says such a tax will cost this country 700,000 jobs.

So that's my opponents' plan: \$150 billion in new taxes ... a new government health care plan, leading to a new payroll tax of at least 7 percent ... not to mention a new training tax. Add it up, and it equals 2.6 million: 2.6 million jobs lost. 2.6 million Americans, thrown out of work ... and onto welfare -- because my opponent thinks government deserves a pay raise.

[[For the life of me, I can't think how that's good for small business -- unless your business happens to be selling pink slips at the stationery store.]]

The differences between Mr. Clinton and me are based on two very different philosophies. Look again at the health care issue.

This is of critical importance to small business. Over the past two years, 83 percent of small business owners have seen their health care costs increase. At the same time, too many Americans are without coverage, or they're worried about losing the coverage they have.

policy. We'd be a lot better off if we sued each other less and cared for each other more.

From taxes, to regulations, to health care, to the litigation explosion -- this election is a contest between two very different views of business, and of how our economy works.

Here's the bottom line: Governor Clinton talks a good game -- but his policies threaten to tax and spend and regulate you out of business. Small business shouldn't be big-government's piggy bank.

My plan does what's good for small business ... what's good for American jobs and American workers ... what's right for America. //

Thank you once again for this warm welcome, and God bless you. I will now sign the Small Business Credit and Business Opportunity Enhancement Act of 1992 -- an example of what we can do when we put small business first.

#

THE PRESIDENT HAS SEEN
9/4/92

THE WHITE HOUSE
WASHINGTON

SEP 3 07:08

September 3, 1992

MEMORANDUM FOR THE PRESIDENT

FROM: ANDY FERGUSON *AF*

THROUGH: STEVEN PROVOST *SP*

SUBJECT: PROPOSED REMARKS ON SMALL BUSINESS

Summary:

On Friday, September 4, 1992, you will address the citizens of Fredricksburg, Virginia at approximately 11:00 a.m. Congressman George Allen and Congressman Herb Bateman will be in attendance. You will be introduced by the Hon. Lawrence Davies, Mayor of Fredricksburg.

Discussion:

Your remarks (16 minutes / cards) discuss the importance of small business to economic growth.

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Ferguson/McGroarty/Gershowitz
September 3, 1992
5:30 p.m.
[small]

PRESIDENTIAL REMARKS: SMALL BUSINESS EVENT
FREDRICKSBURG, VIRGINIA
SEPTEMBER 4, 1992
11:00 A.M. ??

Thank you, ----- [Acknowledgments]

((I told Barbara I was hopping down to a hardware store this morning. She almost fainted. But she did gave me a list -- said, "And please remember this time: the Phillips screwdriver is the one with the four things on the end."))

But I came here today for another reason. I wanted to talk about small business -- drive home the fact that businesses like Fredericksburg Hardware and Goolrick's do more than sell doorknobs and drywall, hairnets and lipsticks. Small business generates the hope and pride and jobs that hold this community together.

America's economy is working its way through a period of profound change. Many of this country's larger companies have retrenched and restructured -- and I know these changes have been difficult for many working Americans. But America's small businesses have shown staying power -- creating new products by the thousands ... and new jobs by the hundreds of thousands. That shouldn't really surprise us, because small businesses are often the first to adapt to a changing economy -- the first to turn change to advantage -- the force at the leading edge of economic recovery. //

That's why it's so critical these days that we remember the importance of small businesses to our economy. Because today, the defining challenge of the '90s is to reinvigorate our national economy, so that we can win the competition in the new global economy.

Our goal is simple and straightforward: In the 21st Century, America must be not only a military superpower --- but an export superpower, an economic superpower.

In this election, you'll hear two versions of how to do this. My opponent's answer is to look inward -- to pretend that we can protect what we already have. Ours is to look forward -- to open new markets, prepare our people to compete, restore the social fabric, to save and invest -- so that we can win.

That's why I've placed small business at the heart of our agenda for America's economic future. Small businesses employ over half our workforce, create two-thirds of the new jobs in America. They're the hothouse for innovation, risk-taking, new ideas -- the powerful engine that will take our economy into the 21st Century.

So let me declare my bias right up front: when it comes to renewing the American economy, my loyalty lies with small business. You know, I've run a small business -- built it from the ground up, with a lot of help. I know what it's like to sweat out a tough deal, knock on doors to find investors, shop for credit, try your darndest to meet the next payroll. And I even had the ulcers to prove it.

meeting a payroll is
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I happen to think that ~~is~~ not a bad qualification for being President of the United States. //

Nationwide, at least one-third of small businesses say they want to expand -- but they can't. So we must help them do what they do better than anybody: create jobs and opportunity right here in communities like Fredericksburg.

That means three things: relief from excess government regulation, increased access to credit and investment, and a lighter tax burden.

We start by reducing the burden of government regulation. A few days ago I was out in Western Michigan, talking to a group of small business leaders, and I met a guy who runs an asphalt paving company. He said, "Mr. President, when a regulation doesn't make sense, it's the worker who pays -- with his job."

We're tackling this problem head-on. In January of this year, I ordered a freeze on federal regulations -- a top-to-bottom review designed to speed up those regulations that encourage our businesses to grow, and cancel those rules that tie their hands.

But even without the burden of over-regulation, businesses can't grow without capital. The credit crunch has hit our small businesses hard; that's why we've been working with bankers and regulators across the country to correct the imbalance. And I've had the Small Business Administration working double-time to help credit-starved businesses. This year, for example, we've increased by more than 30 percent the general business loan

guarantees offered through SBA -- more than \$6 billion through 1992.

We've also been working with Congress to get something done about the problem. And this morning, you'll see the result. I'm about to sign a new piece of legislation: the Small Business Credit and Business Opportunity Enhancement Act, which will loosen up credit even more for deserving small businesses. Not only does it increase the levels of SBA loan guarantees, it creates new financial instruments to bring investment to small business owners.

And finally, we must reduce the tax burden on small business. We've taken a number of steps to streamline the way small businesses pay their taxes. To give one example: Right now, small businesses have to file payroll taxes twice a week. That's a waste. I've proposed we change it to once a month, so businessmen and women can get back to the business of running their business.

But when you own a small business, how you pay your taxes is less important than how much you pay. None of our industrial competitors taxes capital gains at our punitive rates. We've got to get investment flowing to our small businesses. Almost half of all new businesses literally begin at home -- when enterprisers convert their own "nest eggs" into capital. It's time to reward their initiative and drive. It's time to cut the tax on capital gains.

That's my agenda for small business: three obstacles, and three concrete steps to clear the obstacles from our path.

Now, where does Governor Clinton stand on small business? It's a strange coincidence, but his plan has three parts, too: Taxes, taxes, and taxes.

Our differences couldn't be sharper. I see small business as the backbone of the American economy. Governor Clinton sees it as the goose that laid the Golden Egg. //

He starts with a big idea -- it's called big government. Governor Clinton says he wants \$220 billion dollars in new government spending.

How will he pay for it? Well, nobody knows for sure -- but he's already advocating another \$150 billion in new income taxes.

Now, he says he wants to soak the rich -- raise taxes on the top 2 percent. What he won't tell you is three out of every four people hit by his tax increases are small businessmen or family farmers. These folks aren't millionaires -- they're Mom and Pop, Inc.

I guess my opponent offers small business a reverse version of "Lifestyles of the Rich and Famous." You may not live like a millionaire -- but you can be taxed like one. //

He's also backing a health care plan called "Play or Pay." The plan will leave small businesses with two options: One, cut worker's wages to pay for mandated health care. Or two, fire some workers and use the savings to cover the rest.

Is this accurate?
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Gov. Clinton's plan
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payroll tax.

According to an independent Urban Institute study ^{A 7}
percent payroll tax will cost this country 700,000 jobs.

So that's my opponents' plan: \$150 billion in new income taxes ... a new health care plan leading to a new payroll tax of at least 7 percent ... not to mention a new job training tax. Add it up, and it equals 2.6 million: 2.6 million jobs lost. 2.6 million Americans, thrown out of work ... and onto welfare - - because my opponent thinks government deserves a pay raise.

[[For the life of me, I can't think how that's good for small business -- unless your business happens to be selling pink slips at the stationery store.]]

The differences between Governor Clinton and me are based on two very different philosophies. Take one more issue -- one especially critical to small businesses today: health care.

Over the past two years, 83 percent of small business owners have seen their health care costs increase. At the same time, too many Americans are without coverage, or they're worried about losing the coverage they have.

So let's go right down the line. My health care reform will give tax breaks and credits to make health care more affordable. My opponent prefers tax increases to tax breaks.

I want to use the forces of competition to keep medical prices down. Governor Clinton wants to put the government in the business of setting health care prices.

I want to go after the root causes of the health care problem. Maybe Governor Clinton does, too. But the special interests won't let him.

I'll give you an example. Last year alone, legal costs inflated our doctors' bills by \$20 billion dollars. Now, I don't think you should have to pay a lawyer when you go to the doctor. So we've targeted malpractice insurance for reform, to keep costs down.

But Governor Clinton opposes malpractice reform. And there's a simple reason. The trial lawyers of America -- the same fat cats who are getting rich off those malpractice lawsuits -- are his staunchest supporters. Here's what one Arkansas trial lawyer had to say about Governor Clinton: "I can never remember an occasion where he failed to do what was right where we trial lawyers were concerned."

Small businesses are drowning in litigation, and I don't think this is the approach we need to fix the problem. We'd be a lot better off if we sued each other less and cared for each other more.

From taxes, to regulations, to spending, to health care -- this election is a contest between two very different views of business, and of how our economy works.

Here's the bottom line: Governor Clinton talks a good game -- but his policies threaten to tax and spend and regulate you out of business. Small business shouldn't be big-government's piggy bank.

My plan does what's good for small business ... what's good for American jobs and American workers ... what's right for America. //

Thank you once again for this warm welcome, and God bless you. I will now sign an example of what we can do when we put small business first -- the Small Business Credit and Business Opportunity Enhancement Act of 1992.

#

THE WHITE HOUSE

WASHINGTON

SEP 3 P7:08

September 3, 1992

MEMORANDUM FOR THE PRESIDENT

FROM: ANDY FERGUSON *af*

THROUGH: STEVEN PROVOST *SP*

SUBJECT: PROPOSED REMARKS ON SMALL BUSINESS

Summary:

On Friday, September 4, 1992, you will address the citizens of Fredricksburg, Virginia at approximately 11:00 a.m. Congressman George Allen and Congressman Herb Bateman will be in attendance. You will be introduced by the Hon. Lawrence Davies, Mayor of Fredricksburg.

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Ferguson/McGroarty/Gershowitz
September 3, 1992
5:30 p.m.
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PRESIDENTIAL REMARKS: SMALL BUSINESS EVENT
FREDRICKSBURG, VIRGINIA
SEPTEMBER 4, 1992
11:00 A.M. ??

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America's economy is working its way through a period of profound change. Many of this country's larger companies have retrenched and restructured -- and I know these changes have been difficult for many working Americans. But America's small businesses have shown staying power -- creating new products by the thousands ... and new jobs by the hundreds of thousands. That shouldn't really surprise us, because small businesses are often the first to adapt to a changing economy -- the first to turn change to advantage -- the force at the leading edge of economic recovery. //

That's why it's so critical these days that we remember the importance of small businesses to our economy. Because today, the defining challenge of the '90s is to reinvigorate our national economy, so that we can win the competition in the new global economy.

Our goal is simple and straightforward: In the 21st Century, America must be not only a military superpower -- but an export superpower, an economic superpower.

In this election, you'll hear two versions of how to do this. My opponent's answer is to look inward -- to pretend that we can protect what we already have. Ours is to look forward -- to open new markets, prepare our people to compete, restore the social fabric, to save and invest -- so that we can win.

That's why I've placed small business at the heart of our agenda for America's economic future. Small businesses employ over half our workforce, create two-thirds of the new jobs in America. They're the hothouse for innovation, risk-taking, new ideas -- the powerful engine that will take our economy into the 21st Century.

So let me declare my bias right up front: when it comes to renewing the American economy, my loyalty lies with small business. You know, I've run a small business -- built it from the ground up, with a lot of help. I know what it's like to sweat out a tough deal, knock on doors to find investors, shop for credit, try your darndest to meet the next payroll. And I even had the ulcers to prove it.

meeting ~ payroll is
~~meeting~~
3

I happen to think that's not a bad qualification for being President of the United States. //

Nationwide, at least one-third of small businesses say they want to expand -- but they can't. So we must help them do what they do better than anybody: create jobs and opportunity right here in communities like Fredericksburg.

That means three things: relief from excess government regulation, increased access to credit and investment, and a lighter tax burden.

We start by reducing the burden of government regulation. A few days ago I was out in Western Michigan, talking to a group of small business leaders, and I met a guy who runs an asphalt paving company. He said, "Mr. President, when a regulation doesn't make sense, it's the worker who pays -- with his job."

We're tackling this problem head-on. In January of this year, I ordered a freeze on federal regulations -- a top-to-bottom review designed to speed up those regulations that encourage our businesses to grow, and cancel those rules that tie their hands.

But even without the burden of over-regulation, businesses can't grow without capital. The credit crunch has hit our small businesses hard; that's why we've been working with bankers and regulators across the country to correct the imbalance. And I've had the Small Business Administration working double-time to help credit-starved businesses. This year, for example, we've increased by more than 30 percent the general business loan

guarantees offered through SBA -- more than \$6 billion through 1992.

We've also been working with Congress to get something done about the problem. And this morning, you'll see the result. I'm about to sign a new piece of legislation: the Small Business Credit and Business Opportunity Enhancement Act, which will loosen up credit even more for deserving small businesses. Not only does it increase the levels of SBA loan guarantees, it creates new financial instruments to bring investment to small business owners.

And finally, we must reduce the tax burden on small business. We've taken a number of steps to streamline the way small businesses pay their taxes. To give one example: Right now, small businesses have to file payroll taxes twice a week. That's a waste. I've proposed we change it to once a month, so businessmen and women can get back to the business of running their business.

But when you own a small business, how you pay your taxes is less important than how much you pay. None of our industrial competitors taxes capital gains at our punitive rates. We've got to get investment flowing to our small businesses. Almost half of all new businesses literally begin at home -- when enterprisers convert their own "nest eggs" into capital. It's time to reward their initiative and drive. It's time to cut the tax on capital gains.

That's my agenda for small business: three obstacles, and three concrete steps to clear the obstacles from our path.

Now, where does Governor Clinton stand on small business? It's a strange coincidence, but his plan has three parts, too: Taxes, taxes, and taxes.

Our differences couldn't be sharper. I see small business as the backbone of the American economy. Governor Clinton sees it as the goose that laid the Golden Egg. //

He starts with a big idea -- it's called big government. Governor Clinton says he wants \$220 billion dollars in new government spending.

How will he pay for it? Well, nobody knows for sure -- but he's already advocating another \$150 billion in new income taxes.

Now, he says he wants to soak the rich -- raise taxes on the top 2 percent. What he won't tell you is three out of every four people hit by his tax increases are small businessmen or family farmers. These folks aren't millionaires -- they're Mom and Pop, Inc.

I guess my opponent offers small business a reverse version of "Lifestyles of the Rich and Famous." You may not live like a millionaire -- but you can be taxed like one. //

He's also backing a health care plan called "Play or Pay." The plan will leave small businesses with two options: One, cut worker's wages to pay for mandated health care. Or two, fire some workers and use the savings to cover the rest.

13 lines
if so use 7
6

Gov. Clinton's plan
with increase
in a 7.5%
payroll tax

According to an independent Urban Institute study, a 7 percent payroll tax will cost this country 700,000 jobs.

So that's my opponents' plan: \$150 billion in new income taxes ... a new health care plan leading to a new payroll tax of at least 7 percent ... not to mention a new job training tax. Add it up, and it equals 2.6 million: 2.6 million jobs lost. 2.6 million Americans, thrown out of work ... and onto welfare - - because my opponent thinks government deserves a pay raise.

[[For the life of me, I can't think how that's good for small business -- unless your business happens to be selling pink slips at the stationery store.]]

The differences between Governor Clinton and me are based on two very different philosophies. Take one more issue -- one especially critical to small businesses today: health care.

Over the past two years, 83 percent of small business owners have seen their health care costs increase. At the same time, too many Americans are without coverage, or they're worried about losing the coverage they have.

So let's go right down the line. My health care reform will give tax breaks and credits to make health care more affordable. My opponent prefers tax increases to tax breaks.

I want to use the forces of competition to keep medical prices down. Governor Clinton wants to put the government in the business of setting health care prices.

I want to go after the root causes of the health care problem. Maybe Governor Clinton does, too. But the special interests won't let him.

I'll give you an example. Last year alone, legal costs inflated our doctors' bills by \$20 billion dollars. Now, I don't think you should have to pay a lawyer when you go to the doctor. So we've targeted malpractice insurance for reform, to keep costs down.

But Governor Clinton opposes malpractice reform. And there's a simple reason. The trial lawyers of America -- the same fat cats who are getting rich off those malpractice lawsuits -- are his staunchest supporters. Here's what one Arkansas trial lawyer had to say about Governor Clinton: "I can never remember an occasion where he failed to do what was right where we trial lawyers were concerned."

Small businesses are drowning in litigation, and I don't think this is the approach we need to fix the problem. We'd be a lot better off if we sued each other less and cared for each other more.

From taxes, to regulations, to spending, to health care -- this election is a contest between two very different views of business, and of how our economy works.

Here's the bottom line: Governor Clinton talks a good game -- but his policies threaten to tax and spend and regulate you out of business. Small business shouldn't be big-government's piggy bank.

My plan does what's good for small business ... what's good for American jobs and American workers ... what's right for America. //

Thank you once again for this warm welcome, and God bless you. I will now sign an example of what we can do when we put small business first -- the Small Business Credit and Business Opportunity Enhancement Act of 1992.

#

Ferguson/McGroarty/Gershowitz
September 3, 1992
5:30 p.m.
[small]

PRESIDENTIAL REMARKS: SMALL BUSINESS EVENT
FREDRICKSBURG, VIRGINIA
SEPTEMBER 4, 1992
11:00 A.M. ??

Thank you, ----- . [Acknowledgments]

((I told Barbara I was hopping down to a hardware store this morning. She almost fainted. But she did gave me a list -- said, "And please remember this time: the Phillips screwdriver is the one with the four things on the end."))

But I came here today for another reason. I wanted to talk about small business -- drive home the fact that businesses like Fredericksburg Hardware and Goolrick's do more than sell doorknobs and drywall, hairnets and lipsticks. Small business generates the hope and pride and jobs that hold this community together.

America's economy is working its way through a period of profound change. Many of this country's larger companies have retrenched and restructured -- and I know these changes have been difficult for many working Americans. But America's small businesses have shown staying power -- creating new products by the thousands ... and new jobs by the hundreds of thousands. That shouldn't really surprise us, because small businesses are often the first to adapt to a changing economy -- the first to turn change to advantage -- the force at the leading edge of economic recovery. //

That's why it's so critical these days that we remember the importance of small businesses to our economy. Because today, the defining challenge of the '90s is to reinvigorate our national economy, so that we can win the competition in the new global economy.

Our goal is simple and straightforward: In the 21st Century, America must be not only a military superpower -- but an export superpower, an economic superpower.

In this election, you'll hear two versions of how to do this. My opponent's answer is to look inward -- to pretend that we can protect what we already have. Ours is to look forward -- to open new markets, prepare our people to compete, restore the social fabric, to save and invest -- so that we can win.

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meeting a payroll is a good

I happen to think ~~that's not a bad~~ qualification for being President of the United States. //

Nationwide, at least one-third of small businesses say they want to expand -- but ~~they can't~~. *I want to* ~~So we must help them~~ *small business* do what

they do better than anybody: create jobs and opportunity right

here in ^{3 things} communities like Fredericksburg.

~~Here's what must be done - to cut back all out excess~~ *that means three things: relief from excess government* *part*

regulation, ~~increased~~ access to credit and investment, ~~and a means~~ *to taxing small business more like Gov. Clinton proposes* lighter tax burden.

lighten the tax burden - tax small business

We start by reducing the burden of government regulation. A few days ago I was out in Western Michigan, talking to a group of small business leaders, and I met a guy who runs an asphalt paving company. He said, "Mr. President, when a regulation doesn't make sense, it's the worker who pays -- with his job."

We're ~~tackling this problem~~ head-on. In January of this year, I ordered a freeze on federal regulations -- a top-to-bottom review designed to speed up those regulations that encourage our businesses to grow, and cancel those rules that tie their hands. *and*

But even without the burden of over-regulation, businesses can't grow without capital. The credit crunch has hit our small businesses hard; that's why we've been working with bankers and regulators across the country to correct the imbalance. And I've had the Small Business Administration working double-time to help credit-starved businesses. This year, for example, we've increased by more than 30 percent the general business loan

guarantees offered through SBA -- more than \$6 billion through 1992.

We've also been working with Congress to get something done about the problem. And this morning, you'll see the result. I'm about to sign a new piece of legislation: the Small Business Credit and Business Opportunity Enhancement Act, which will loosen up credit even more for deserving small businesses. Not only does it increase the levels of SBA loan guarantees, it creates new financial instruments to bring investment to small business owners.

And finally, we must reduce the tax burden on small business. We've taken a number of steps to streamline the way small businesses pay their taxes. To give one example: Right now, small businesses have to file payroll taxes twice a week. That's a waste. I've proposed we change it to once a month, so businessmen and women can get back to the business of running their business. *We must reduce tax etc.*

But when you own a small business, how you pay your taxes is less important than how much you pay. None of our industrial competitors taxes capital gains at our punitive rates. We've got to get investment flowing to our small businesses. Almost half of all new businesses literally begin at home -- when enterprisers convert their own "nest eggs" into capital. It's time to reward their initiative and drive. It's time to cut the tax on capital gains.

The Clinton-Gore tax - spend tickets about universal but taxing capital investment is bad.

According to an independent Urban Institute study, a 7 percent payroll tax will cost this country 700,000 jobs.

So that's my opponents' plan: \$150 billion in new income taxes ... a new health care plan leading to a new payroll tax of at least 7 percent ... not to mention a new job training tax. Add it up, and it equals 2.6 million: 2.6 million jobs lost. 2.6 million Americans, thrown out of work ... and onto welfare - - because my opponent thinks government deserves a pay raise.

[[For the life of me, I can't think how that's good for small business -- unless your business happens to be selling pink slips at the stationery store.]]

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Over the past two years, 83 percent of small business owners have seen their health care costs increase. At the same time, too many Americans are without coverage, or they're worried about losing the coverage they have.

So let's go right down the line. My health care reform will give tax breaks and credits to make health care more affordable. My opponent prefers tax increases to tax breaks.

I want to use the forces of competition to keep medical prices down. Governor Clinton wants to put the government in the business of setting health care prices.

That's my agenda for small business: three obstacles, and three concrete steps to clear the obstacles from our path.

Now, where does Governor Clinton stand on small business? It's a strange coincidence, but his plan has three parts, too: Taxes, taxes, and taxes.

Our differences couldn't be sharper. I see small business as the backbone of the American economy. Governor Clinton sees

~~it as the goose that laid the Golden Egg.~~ *larry goose*

that should pay more taxes

He starts with a big idea -- it's called big government.

Governor Clinton says he wants \$220 billion dollars in new government spending.

well boy we not got the federal deficit down and for opines he says increase spending 220

How will he pay for it? Well, nobody knows for sure -- but he's already advocating another \$150 billion in new income taxes.

Now, he says he wants to soak the rich -- raise taxes on the top 2 percent. What he won't tell you is three out of every four people hit by his tax increases are small businessmen or family farmers. These folks aren't millionaires -- they're Mom and Pop, Inc.

I guess my opponent offers small business a reverse version of "Lifestyles of the Rich and Famous." You may not live like a millionaire -- but you can be taxed like one. //

He's also backing a health care plan called "Play or Pay." The plan will leave small businesses with two options: One, cut worker's wages to pay for mandated health care. Or two, fire some workers and use the savings to cover the rest.

too cap!

I want to go after the root causes of the health care problem. Maybe Governor Clinton does, too. But the special interests won't let him.

I'll give you an example. Last year alone, legal costs inflated our doctors' bills by \$20 billion dollars. Now, I don't think you should have to pay a lawyer when you go to the doctor.

So we've targeted malpractice insurance for reform, to keep costs down. *powerful*

Let's stand up to the total lawyers lobby that has taken Clinton - Gone Triebit. We need to take care of the people.

But Governor Clinton opposes malpractice reform. And there's a simple reason. The trial lawyers of America -- the same fat cats who are getting rich off those malpractice lawsuits

-- are his staunchest supporters. Here's what one Arkansas trial lawyer had to say about Governor Clinton: "I can never remember an occasion where he failed to do what was right where we trial lawyers were concerned."

Small businesses are drowning in litigation, and I don't think this is the approach we need to fix the problem. *Help me to get the Godlock Congress to pass my proposals to cut down on frivolous lawsuits.* *should*

From taxes, to regulations, to spending, to health care -- this election is a contest between two very different views of business, and of how our economy works.

Here's the bottom line: Governor Clinton talks a good game -- but his policies threaten to tax and spend and regulate you out of business. Small business shouldn't be big-government's piggy bank.

My plan does what's good for small business ... what's good for American jobs and American workers ... what's right for America. //

Thank you once again for this warm welcome, and God bless you. I will now sign an example of what we can do when we put small business first -- the Small Business Credit and Business Opportunity Enhancement Act of 1992.

#

THE WHITE HOUSE
WASHINGTON

September 3, 1992

9-4
8:00A

MEMORANDUM FOR DAN MCGROARTY

FROM: ROGER B. PORTER *RBP*

SUBJECT: Presidential Remarks: Small Business Event

We have reviewed the attached remarks and have noted a few minor suggested changes on the draft.

Please let us know if you have any questions or if we may help in any other way.

cc: Phillip D. Brady

Document No. 348424ss

BE84

WHITE HOUSE STAFFING MEMORANDUM

DATE: 9/3/92 ACTION/CONCURRENCE/COMMENT DUE BY: TODAY, ASAP!!!

SUBJECT: PRESIDENTIAL REMARKS: SMALL BUSINESS EVENT
FREDRICKSBURG, VIRGINIA - 9/4/92 - 9:30 a.m

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCBRIDE	<input type="checkbox"/>	<input checked="" type="checkbox"/>
BAKER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MOORE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input type="checkbox"/>	<input type="checkbox"/>	MULLINS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BATES	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PROVOST	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BROMLEY	<input type="checkbox"/>	<input type="checkbox"/>	ROSS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CALIO	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SMITH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	TUTWILER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ZOELICK	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>KAUFMAN</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>MCGROARTY</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HORNER	<input type="checkbox"/>	<input type="checkbox"/>	<u>BOSKIN</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please forward your comments directly to Dan McGroarty, Rm. 122, x2930, AS SOON AS POSSIBLE, with a copy to this office. Thank you.

RESPONSE:

PHILLIP D. BRADY
Assistant to the President
and Staff Secretary
Ext. 2702

Ferguson/McGroarty/Gershowitz
September 3, 1992
2:30 p.m.
[small]

SEP 3 P2:35

PRESIDENTIAL REMARKS: SMALL BUSINESS EVENT
FREDRICKSBURG, VIRGINIA
SEPTEMBER 4, 1992
9:30 A.M. ??

Thank you, ----- . [Acknowledgments. Local color.]

I came here today to make a point -- to drive home the fact that businesses like [xxxxxx] and [xxxxxx] do more than sell [nails and doorknobs and drywall]. They generate the hope and pride and jobs that hold this community together.

America has been through a tough economic adjustment. Many of this country's larger companies have retrenched and restructured -- and it's caused a lot of hardship for working Americans. But even in these tough times, America's small businesses have stayed strong -- creating new products by the hundreds ... and new jobs by the thousands. That shouldn't really surprise us, because small businesses are often the first to adapt to a changing economy -- the first to turn change to advantage -- the force at the leading edge of economic recovery.

//

That's an important point to understand these days. Because today, the defining challenge of the '90s is to win the competition in the new global economy.

Our goal is simple and straightforward: In the 21st century, America must be not only a military superpower -- but an export superpower, an economic superpower.

2

In this election, you'll hear two versions of how to do this. My opponent's answer is to look inward -- to pretend we can protect what we already have. Ours is to look forward -- to open new markets, prepare our people to compete, restore the social fabric, to save and invest -- so that we can win.

That's why I've placed small business at the heart of our agenda for America's economic future. Small businesses employ half our workforce, create two-thirds of the new jobs in America. They're the hothouse for innovation, risk-taking, new ideas -- the powerful engine that will take our economy into the 21st century.

So let me declare my bias right up front: when it comes to renewing the American economy, my loyalty lies with small business. You see, I've seen this economy from the other side. I've run a small business -- built it from the ground up, with a lot of help. I know what it's like to sweat out a tough deal, knock on doors to find investors, shop for credit, try your darndest to meet the next payroll. And I even had the ulcers to prove it.

I happen to think that's not a bad qualification for being President of the United States.

And maybe that accounts for the sharp difference between me and my opponent when it comes to the economy.

Now I know it's political season: Talk is as cheap as a two-penny nail. When you go into that voting booth November 3rd -- when you pull that curtain closed -- ask yourselves: Which

3

candidate understands what makes this economy work? Do they look at small business, and see the backbone of the American economy - - or the goose that laid the Golden Egg? //

It matters -- to Fredricksburg, and to communities just like this one all across America.

Because if you don't know, let me tell you what the other side has in store:

My opponent starts with a big idea -- and it's called big government. Governor Clinton is pushing for \$220 billion dollars in new spending -- and Newsweek magazine says his programs will cost at least three times that amount.

So how will he pay for it? Well, nobody knows for sure -- but he's already advocating another \$150 billion in new income taxes.

Now, he says he wants to soak the rich -- raise taxes on the top 2%. What they won't tell you is three out of every four people in the top 2 percent are small businessmen or family farmers. These folks aren't millionaires -- they're Mom and Pop, Inc.

My opponent offers small business a reverse version of "Lifestyles of the Rich and Famous." You may not live like a millionaire -- but you're taxed like one. //

They're also going to come after small business to foot the bill for a government take-over of health care: They're talking about a new payroll tax of at least 7 percent -- out of your pockets.

4 that payroll
tax will

(If this \$40 billion
is not the payroll
tax, we should
explain what it is.)

And before they're done, ~~they're going to~~ zero in on small business and scoop \$40 billion right out of the till -- \$40 billion in broad daylight. Those are the facts.

Governor Clinton's tax plan will take away more than half the total profits of all small businesses combined. //

Think about that for minute: That's money small business has earned -- that they can use to buy that new piece of equipment, or build that new addition to their plant, or hire those two new salesman or computer ^{operators} hackers. I say: let's leave it up to them. The American people know better than some Washington budget planner how to spend their own money.

So that's my opponents' plan: \$150 billion in new taxes ... a new 7 percent payroll tax ... not to mention a new job training tax. Add it up, and it equals 2.6 million: 2.6 million jobs lost. 2.6 million Americans, thrown out of work ... and onto welfare -- because my opponent thinks government deserves a pay raise.

[[For the life of me, I can't think how that's good for small business -- unless your business happens to be selling pink slips at the stationery store.]]

I don't think that's what small business needs -- and I know it's not what Americans want.

My agenda for our economic future is very different. My opponent sees small business as a piggy bank to finance some bureaucratic wish list; I see it as the engine of American economic growth, the place where the economy regenerates itself.

5

I want to help this nation's small businesses do what they do best -- create jobs and opportunity right here in your community.

My plan will work -- because I know how businesses work. Studies show that at least one-third of small businesses want to expand -- but can't. We have to attack the obstacles that keep them from doing so.

We start by reducing the burden of government regulation. A few days ago I was out in Western Michigan, talking to a group of small business leaders, and I met a guy who runs an asphalt paving company. He said, "Mr. President, government regulations are killing us." He made the point that when a regulation doesn't make sense, it's the worker who pays -- with his job.

So in January of this year, I ordered a freeze on federal regulations -- a top-to-bottom reform designed to speed up those regulations that encourage our businesses to grow, and throttle those that don't.

To stay a step ahead of the competition, a small business needs the freedom to take risks, to innovate, without waiting for Washington's approval.

Businesses can't grow without capital. We've made great strides in overcoming the credit crunch that reduced the investment small businesses need. This year we've increased by more than 50 percent the general business loan guarantees offered through the Small Business Administration -- more than \$6 billion through 1992.

6

Third, we must reduce the tax burden on small business. I've ordered the IRS to change regulations so that small businesses can deposit payroll taxes on a monthly basis. And we're now developing a Single Wage Reporting System -- so small businesses can report their wage information through a single entity -- rather than maneuver through the maze of federal and state tax collectors.

But when you own a small business, how you pay your taxes is less important than how much you pay. Because we know that almost half of all new businesses literally begin at home -- when enterprisers convert their own "nest eggs" into capital -- we want to cut the tax on capital gains. And we're fighting for an investment tax allowance, to get companies buying new equipment, and hiring new workers.

Right now, for small business, there's one need that dwarfs all others: the need to reform our nation's health care system. The costs of health care are crushing many small businesses. Our plan is comprehensive, eases the burden on small business, and will not place our health care system in the hands of the people who brought you the House Post Office.

As long as I'm President, there will be no government takeover of health care.

We will, however, build on our system's greatest strength - the quality of care in the United States is the finest in the world. We want small businesses to take advantage of that fact. Our plan contains incentives for small employers to pool their

7

resources -- to form Health Insurance Networks that can strike the best deal in obtaining coverage for their employees. It's based on the principle of economies of scale -- a principle that often leaves small businesses at a distinct disadvantage.

A single small employer often can't carry the risk and can't bear the cost of health coverage. Our Health Insurance Networks address both problems: allowing businesses to spread risk, while at the same time greatly enhancing their purchase power. And the networks will keep government from controlling how you address you own health-care decisions.

From taxes, to regulations, to spending, to health care -- this election is a contest between two very different view of business, and of how our economy works.

Here's the bottom line: The other side talks a good game - - and then taxes and spends and regulates you to death. Small business shouldn't be big-government's piggy bank.

My plan does what's good for small business ... what's good for American jobs and American workers ... what's right for America. //

Thank you once again for this warm welcome -- and may God bless the United States of America.

#



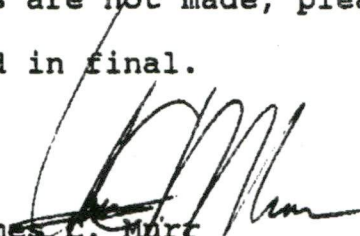
EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

9-3-92 92 SEP 3 P7:26

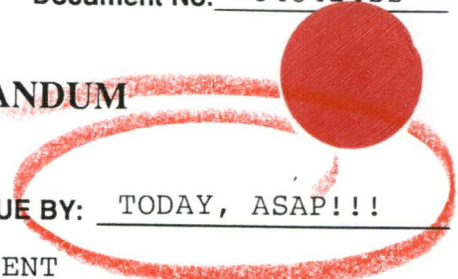
NOTICE:

Enclosed are comments from staff members of the Office of Management and Budget (OMB). Such comments do not necessarily represent the official position of the Director of OMB or of the Office of Management and Budget. If you wish to have the Director's personal comments, please let me know -- and contact me if you have any questions.

If our proposed substantive changes are not made, please let us know before the material is prepared in final.


James C. Murr
Associate Director for
Legislative Reference
and Administration

WHITE HOUSE STAFFING MEMORANDUM



DATE: 9/3/92 ACTION/CONCURRENCE/COMMENT DUE BY: TODAY, ASAP!!!

PRESIDENTIAL REMARKS: SMALL BUSINESS EVENT
 SUBJECT: FREDRICKSBURG, VIRGINIA - 9/4/92 - 9:30 a.m.

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BATES	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PROVOST	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BROMLEY	<input type="checkbox"/>	<input type="checkbox"/>	ROSS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CALIO	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SMITH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	KAUFMAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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HORNER	<input type="checkbox"/>	<input type="checkbox"/>	BOSKIN	<input checked="" type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please forward your comments directly to Dan McGroarty, Rm. 122, x2930, AS SOON AS POSSIBLE, with a copy to this office. Thank you.

RESPONSE:

PHILLIP D. BRADY
 Assistant to the President
 and Staff Secretary
 Ext. 2702

WHITE HOUSE STAFFING REQUEST

Subject

SMALL BUSINESS EVENT
FREDRICKSBURG, VIRGINIA
SEPTEMBER 4 - 9:30 A.M.

*GRADY
Comments*

Date/Time Received: 9/3/92 3:40 P.M. RESPONSE DUE: THURSDAY, SEPTEMBER 3
ASAP!! *X 2/8/92*

Response due to Director's Office Support Group, Room 254, Ext. 3060.
Please respond to every staffing request, even if you have no comment.

Distribution Within OMB

<u>Action</u>	<u>FYI</u>	<u>Action</u>	<u>FYI</u>
<u> </u> Director	<u> X </u>	<u> </u> Howard, R.	<u> </u>
<u> </u> Deputy Director	<u> </u>	<u> X </u> Legis. Affairs	<u> </u>
<u> X </u> Dep. Dir./Mgmt.	<u> </u>	<u> X </u> MacRae, J.	<u> </u>
<u> </u> Al-Samarrie, A.	<u> </u>	<u> X </u> Martin, B.	<u> </u>
<u> X </u> Anderson, B.	<u> </u>	<u> </u> Mazur, E.	<u> </u>
<u> </u> Burman, A.	<u> </u>	<u> </u> Murr, J.	<u> X </u>
<u> </u> Dale, E.	<u> </u>	<u> </u> Rockefeller, N.	<u> X </u>
<u> X </u> Damus, R.	<u> </u>	<u> X </u> Scully, T.	<u> </u>
<u> </u> Gilman, P.	<u> </u>	<u> </u> (Other)	<u> </u>
<u> </u> Gen. Mgmt. Div.	<u> </u>		
<u> X </u> Grady, R.	<u> </u>		
<u> X </u> Hale, J.	<u> </u>		

Comments:

The attached document is Presidential material that contains political elements. Accordingly, please restrict your review and comments to checking the accuracy of factual statements and statements about the Administration's official policies and activities.

*cc: Steve Provoost
A. Bradu*

Ferguson/McGroarty/Gershowitz
September 3, 1992
2:30 p.m.
[small]

P2:35

PRESIDENTIAL REMARKS: SMALL BUSINESS EVENT
FREDRICKSBURG, VIRGINIA
SEPTEMBER 4, 1992
9:30 A.M. ??

Thank you, ----- . [Acknowledgments. Local color.]

I came here today to make a point -- to drive home the fact that businesses like [xxxxxx] and [xxxxxx] do more than sell [nails and doorknobs and drywall]. They generate the hope and pride and jobs that hold this community together.

America has been through a tough economic adjustment. Many of this country's larger companies have retrenched and restructured -- and it's caused a lot of hardship for working Americans. *Even though the recent recession,* But even in these tough times, America's small businesses have stayed strong -- creating new products by the hundreds ... and new jobs by the thousands. That shouldn't really surprise us, because small businesses are often the first to adapt to a changing economy -- the first to turn change to advantage -- the force at the leading edge of economic recovery.

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That's an important point to understand these days. Because today, the defining challenge of the '90s is to win the competition in the new global economy.

Our goal is simple and straightforward: In the 21st century, America must be not only a military superpower -- but an export superpower, an economic superpower.

In this election, you'll hear two versions of how to do this. My opponent's answer is to look inward -- to pretend we can protect what we already have. Ours is to look forward -- to open new markets, prepare our people to compete, restore the social fabric, to save and invest -- so that we can win.

That's why I've placed small business at the heart of our agenda for America's economic future. Small businesses employ half our workforce, create two-thirds of the new jobs in America. They're the hothouse for innovation, risk-taking, new ideas -- the powerful engine that will take our economy into the 21st century.

So let me declare my bias right up front: when it comes to renewing the American economy, ~~my loyalty lies with small business~~. You see, I've seen this economy from the other side. I've run a small business -- built it from the ground up, with a lot of help. I know what it's like to sweat out a tough deal, knock on doors to find investors, shop for credit, try your darndest to meet the next payroll. And I even had the ulcers to prove it.

I happen to think that's not a bad qualification for being President of the United States.

And maybe that accounts for the sharp difference between me and my opponent when it comes to the economy.

Now I know it's political season: Talk is as cheap as a two-penny nail. When you go into that voting booth November 3rd -- when you pull that curtain closed -- ask yourselves: Which

candidate understands what makes this economy work? Do they look at small business, and see the backbone of the American economy - - or the goose that laid the Golden Egg? //

It matters -- to Fredricksburg, and to communities just like this one all across America.

Because if you don't know, let me tell you what the other side has in store:

My opponent starts with a big idea -- and it's called big government. Governor Clinton is ^{pushing} ~~using~~ for \$220 billion dollars ^(WYLER) in new spending -- and Newsweek magazine says his programs will cost at least three times that amount.

So how will he pay for it? Well, nobody knows for sure -- but he's already advocating another \$150 billion in new income taxes.

Now, he says he wants to soak the rich -- raise taxes on the top 2%. What they won't tell you is three out of every four people in the top 2 percent are small businessmen or family farmers. These folks aren't millionaires -- they're Mom and Pop, Inc.

My opponent offers small business a reverse version of "Lifestyles of the Rich and Famous." You may not live like a millionaire -- but you're taxed like one. //

They're also going to come after small business to foot the bill for a government take-over of health care. They're ~~talking~~ about a new payroll tax of at least 7 percent -- out of your pockets.

The effort
Say that
will require

And before they're done, they're going to zero in on small business and scoop \$40 billion right out of the till -- \$40 billion in broad daylight. Those are the facts.

Governor Clinton's tax plan will take away more than half the total profits of all small businesses combined. //

Think about that for minute: That's money small business has earned -- that they can use to buy that new piece of equipment, or build that new addition to their plant, or hire those two new salesman or computer hackers. I say: let's leave it up to them. The American people know better than some Washington budget planner how to spend their own money.

So that's my opponents' plan: \$150 billion in new taxes ... a new 7 percent payroll tax ... not to mention a new job training tax. Add it up, and it equals 2.6 million: 2.6 million jobs lost. 2.6 million Americans, thrown out of work ... and onto welfare -- because my opponent thinks government deserves a pay raise.

[[For the life of me, I can't think how that's good for small business -- unless your business happens to be selling pink slips at the stationery store.]]

I don't think that's what small business needs -- and I know it's not what Americans want.

My agenda for our economic future is very different. My opponent sees small business as a piggy bank to finance some bureaucratic wish list; I see it as the engine of American economic growth, the place where the economy regenerates itself.

I want to help this nation's small businesses do what they do best -- create jobs and opportunity right here in your community.

My plan will work -- because I know how businesses work. Studies show that at least one-third of small businesses want to expand -- but can't. We have to attack the obstacles that keep them from doing so.

We start by reducing the burden of government regulation. A few days ago I was out in Western Michigan, talking to a group of small business leaders, and I met a guy who runs an asphalt paving company. He said, "Mr. President, government regulations are killing us." He made the point that when a regulation doesn't make sense, it's the worker who pays -- with his job.

So in January of this year, I ordered a freeze on federal regulations -- a top-to-bottom reform designed to speed up those regulations that encourage our businesses to grow, and throttle those that don't.

To stay a step ahead of the competition, a small business needs the freedom to take risks, to innovate, without waiting for Washington's approval.

Businesses can't grow without capital. We've made great strides in overcoming the credit crunch that reduced the investment small businesses need. This year we've increased by more than 50 percent the general business loan guarantees offered through the Small Business Administration ~~to~~ ^{to} more than \$6 billion ~~through 1992~~.

(CRISCITELLO)
7241

Third, we must reduce the tax burden on small business. I've ordered the IRS to change regulations so that small businesses can deposit payroll taxes on a monthly basis. And we're now developing a Single Wage Reporting System -- so small businesses can report their wage information through a single entity -- rather than maneuver through the maze of federal and state tax collectors.

But when you own a small business, how you pay your taxes is less important than how much you pay. Because we know that almost half of all new businesses literally begin at home -- when enterprisers convert their own "nest eggs" into capital -- we want to cut the tax on capital gains. And we're fighting for an investment tax allowance, to get companies buying new equipment, and hiring new workers.

Right now, for small business, there's one need that dwarfs all others: the need to reform our nation's health care system. The costs of health care are crushing many small businesses. Our plan is comprehensive, eases the burden on small business, and will not place our health care system in the hands of the people who brought you the House Post Office.

As long as I'm President, there will be no government takeover of health care.

We will, however, build on our system's greatest strength - the quality of care in the United States is the finest in the world. We want small businesses to take advantage of that fact. Our plan contains incentives for small employers to pool their

*My plan would allow
(note: there's no "incentives")*

7 That will cut the cost of health care for small businesses & their employees alike.

resources -- to form Health Insurance Networks that can strike the best deal in obtaining coverage for their employees. It's based on the principle of economies of scale -- a principle that often leaves small businesses at a distinct disadvantage.

A single small employer often can't carry the risk and can't bear the cost of health coverage. Our Health Insurance Networks address both problems: allowing businesses to spread risk, while at the same time greatly enhancing their purchase power. And the networks will keep government from controlling how you address you own health-care decisions.

From taxes, to regulations, to spending, to health care -- this election is a contest between two very different view of business, and of how our economy works.

Here's the bottom line: The other side talks a good game - - and then taxes and spends and regulates you to death. Small business shouldn't be big-government's piggy bank.

My plan does what's good for small business ... what's good for American jobs and American workers ... what's right for America. //

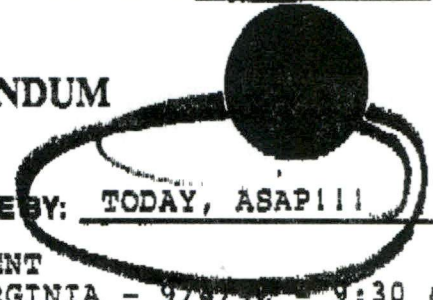
Thank you once again for this warm welcome -- and may God bless the United States of America.

#

Document No. 348424as

WHITE HOUSE STAFFING MEMORANDUM

92 SEP 3 P4: 3



DATE: 9/3/92 ACTION/CONCURRENCE/COMMENT DUE BY: TODAY, ASAP!!!

PRESIDENTIAL REMARKS: SMALL BUSINESS EVENT

SUBJECT: FREDRICKSBURG, VIRGINIA - 9/7/92 - 9:30 a.m.

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCBRIDE	<input type="checkbox"/>	<input checked="" type="checkbox"/>
BAKER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MOORE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input type="checkbox"/>	<input type="checkbox"/>	MULLINS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BATES	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PROVOST	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BROMLEY	<input type="checkbox"/>	<input type="checkbox"/>	ROSS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CALIO	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SMITH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	TUTWILER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ZOELICK	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>KAUFMAN</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>MCGROARTY</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HORNER	<input type="checkbox"/>	<input type="checkbox"/>	<u>BOSKIN</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please forward your comments directly to Dan McGroarty, Rm. 122, x2930, AS SOON AS POSSIBLE, with a copy to this office. Thank you.

RESPONSE:

see comments.

*PK
09/03*

*Paul Morfetta
8/23*

PHILLIP D. BRADY
Assistant to the President
and Staff Secretary
Ext. 2702

From SBA

Anne-

The tax increase numbers used by the President's speech drafters are too low. According to the National Federation of Independent Business, and Clinton's own "Putting People First" document, the Governor is proposing a:

* 1.5 percent payroll tax on businesses for worker retraining (the speech draft does not give an amount)

* a 7 to 9 percent payroll tax for small businesses who do not provide health care (the speech low balls this at 7 percent) According to NFIB and almost every other expert, the 9 percent figure is far more accurate.

For rhetorical purposes, the President should use the combined impact of these two taxes of roughly 10 percent. It's accurate, and more importantly, more understandable to the average small business owner. Only the healthiest of all small businesses have a profit margin greater than 10 percent.

Thanks,
Ralph

Ralph
FYI

Ferguson/McGrearty/Gershovits
September 3, 1992
2:30 p.m.
[small]

2 SEP 3 P2:35

PRESIDENTIAL REMARKS: SMALL BUSINESS EVENT
FREDRICKSBURG, VIRGINIA
SEPTEMBER 4, 1992
9:30 A.M. ??

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I came here today to make a point -- to drive home the fact that businesses like [xxxxxx] and [xxxxxx] do more than sell [nails and doorknobs and drywall]. They generate the hope and pride and jobs that hold this community together.

America has been through a tough economic adjustment. Many of this country's larger companies have retrenched and restructured -- and it's caused a lot of hardship for working Americans. But even in these tough times, America's small businesses have stayed strong -- creating new products by the hundreds ... and new jobs by the thousands. That shouldn't really surprise us, because small businesses are often the first to adapt to a changing economy -- the first to turn change to advantage -- the force at the leading edge of economic recovery.

//

That's an important point to understand these days. Because today, the defining challenge of the '90s is to win the competition in the new global economy.

Our goal is simple and straightforward: In the 21st century, America must be not only a military superpower -- but an export superpower, an economic superpower.

2

In this election, you'll hear two versions of how to do this. My opponent's answer is to look inward -- to pretend we can protect what we already have. Ours is to look forward -- to open new markets, prepare our people to compete, restore the social fabric, to save and invest -- so that we can win.

That's why I've placed small business at the heart of our agenda for America's economic future. Small businesses employ half our workforce, create two-thirds of the new jobs in America. They're the hothouse for innovation, risk-taking, new ideas -- the powerful engine that will take our economy into the 21st century.

So let me declare my bias right up front: when it comes to renewing the American economy, my loyalty lies with small business. You see, I've seen this economy from the other side. I've run a small business -- built it from the ground up, with a lot of help. I know what it's like to sweat out a tough deal, knock on doors to find investors, shop for credit, try your darndest to meet the next payroll. And I even had the ulcers to prove it.

I happen to think that's not a bad qualification for being President of the United States.

And maybe that accounts for the sharp difference between me and my opponent when it comes to the economy.

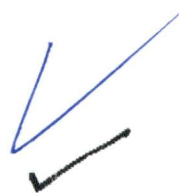
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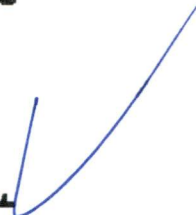
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So how will he pay for it? Well, nobody knows for sure -- but he's already advocating another \$150 billion in new income taxes.

*(Treasury)
not necessarily true...
many have income from outside of their respective businesses --
think of another revenue.*

Now, he says he wants to soak the rich -- raise taxes on the top 2%. What they won't tell you is three out of every four people in the top 2 percent are small businessmen or family farmers. These folks aren't millionaires -- they're Mom and Pop. Inc.



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4

And before they're done, they're going to zero in on small business and scoop \$40 billion right out of the till -- \$40 billion in broad daylight. Those are the facts.

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6

Third, we must reduce the tax burden on small business.

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#

Ferguson/McGroarty/Gershowitz
September 3, 1992
2:30 p.m.
[small]

2 SEP 3 P2:35

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FREDRICKSBURG, VIRGINIA
SEPTEMBER 4, 1992
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←(great!)

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To stay a step ahead of the competition, a small business needs the freedom to take risks, to innovate, without waiting for Washington's approval.

Businesses can't grow without capital. We've made great strides in overcoming the credit crunch that reduced the investment small businesses need. This year we've increased by more than 50 percent the general business loan guarantees offered through the Small Business Administration -- more than \$6 billion through 1992.

Third, we must reduce the tax burden on small business. I've ordered the IRS to change regulations so that small businesses can deposit payroll taxes on a monthly basis. And we're now developing a Single Wage Reporting System -- so small businesses can report their wage information through a single entity -- rather than maneuver through the maze of federal and state tax collectors.

But when you own a small business, how you pay your taxes is less important than how much you pay. Because we know that almost half of all new businesses literally begin at home -- when enterprisers convert their own "nest eggs" into capital -- we want to cut the tax on capital gains. And we're fighting for an investment tax allowance, to get companies buying new equipment, and hiring new workers.

Right now, for small business, there's one need that dwarfs all others: the need to reform our nation's health care system. The costs of health care are crushing many small businesses. Our plan is comprehensive, eases the burden on small business, and will not place our health care system in the hands of the people who brought you the House Post Office.

As long as I'm President, there will be no government takeover of health care.

We will, however, build on our system's greatest strength - the quality of care in the United States is the finest in the world. We want small businesses to take advantage of that fact. Our plan contains incentives for small employers to pool their

resources -- to form Health Insurance Networks that can strike the best deal in obtaining coverage for their employees. It's based on the principle of economies of scale -- a principle that often leaves small businesses at a distinct disadvantage.

A single small employer often can't carry the risk and can't bear the cost of health coverage. Our Health Insurance Networks address both problems: allowing businesses to spread risk, while at the same time greatly enhancing their purchase power. And the networks will keep government from controlling how you address you own health-care decisions.

From taxes, to regulations, to spending, to health care -- this election is a contest between two very different view of business, and of how our economy works. ↑

Here's the bottom line: The other side talks a good game - - and then taxes and spends and regulates you to death. Small business shouldn't be big-government's piggy bank.

My plan does what's good for small business ... what's good for American jobs and American workers ... what's right for America. //

Thank you once again for this warm welcome -- and may God bless the United States of America.

#

Our opponents believe that problems are best solved by creating new government programs. We understand that the greatest engine of progress is economic growth, which must be supported by an effective, efficient government, and by the decisive actions of individuals and communities throughout the Nation.

THE WHITE HOUSE

WASHINGTON

92 SEP 3 P4:02

September 3, 1992

MEMORANDUM FOR DAN MCGROARTY
SPECIAL ASSISTANT TO THE PRESIDENT
FOR COMMUNICATION

FROM:

me/for

ROBERT T. SWANSON
ASSISTANT COUNSEL TO THE PRESIDENT

SUBJECT:

Presidential Remarks: Small Business Event
Fredericksburg, Virginia

At your request, Counsel's office has reviewed the above-referenced matter. See page two for comments.

Attachment

cc: Phillip D. Brady

Ferguson/McGroarty/Gershowitz
September 3, 1992
2:30 p.m.
[small]

2 SEP 3 P2:35

PRESIDENTIAL REMARKS: SMALL BUSINESS EVENT
FREDRICKSBURG, VIRGINIA
SEPTEMBER 4, 1992
9:30 A.M. ??

Thank you, ----- . [Acknowledgments. Local color.]

I came here today to make a point -- to drive home the fact that businesses like [xxxxxxx] and [xxxxxxx] do more than sell [nails and doorknobs and drywall]. They generate the hope and pride and jobs that hold this community together.

America has been through a tough economic adjustment. Many of this country's larger companies have retrenched and restructured -- and it's caused a lot of hardship for working Americans. But even in these tough times, America's small businesses have stayed strong -- creating new products by the hundreds ... and new jobs by the thousands. That shouldn't really surprise us, because small businesses are often the first to adapt to a changing economy -- the first to turn change to advantage -- the force at the leading edge of economic recovery.

//

That's an important point to understand these days. Because today, the defining challenge of the '90s is to win the competition in the new global economy.

Our goal is simple and straightforward: In the 21st century, America must be not only a military superpower -- but an export superpower, an economic superpower.

In this election, you'll hear two versions of how to do this. My opponent's answer is to look inward -- to pretend we can protect what we already have. Ours is to look forward -- to open new markets, prepare our people to compete, restore the social fabric, to save and invest -- so that we can win.

That's why I've placed small business at the heart of our agenda for America's economic future. Small businesses employ half our workforce, create two-thirds of the new jobs in America. They're the hothouse for innovation, risk-taking, new ideas -- the powerful engine that will take our economy into the 21st century.

So let me declare my bias right up front: when it comes to renewing the American economy, my loyalty lies with small business. You see, I've seen this economy from the other side. I've run a small business -- built it from the ground up, with a lot of help. I know what it's like to sweat out a tough deal, knock on doors to find investors, shop for credit, try your darndest to meet the next payroll. And I even had the ulcers to prove it.

I happen to think that's not a bad qualification for being President of the United States.

And maybe that accounts for the sharp difference between me and my opponent when it comes to the economy.

Now I know it's political season: Talk is as cheap as a two-penny nail. When you go into that voting booth November 3rd -- when you pull that curtain closed -- ask yourselves: Which

Doesn't show strength

??
a joke?

candidate understands what makes this economy work? Do they look at small business, and see the backbone of the American economy - - or the goose that laid the Golden Egg? //

It matters -- to Fredricksburg, and to communities just like this one all across America.

Because if you don't know, let me tell you what the other side has in store:

My opponent starts with a big idea -- and it's called big government. Governor Clinton is pushing for \$220 billion dollars in new spending -- and Newsweek magazine says his programs will cost at least three times that amount.

So how will he pay for it? Well, nobody knows for sure -- but he's already advocating another \$150 billion in new income taxes.

Now, he says he wants to soak the rich -- raise taxes on the top 2%. What they won't tell you is three out of every four people in the top 2 percent are small businessmen or family farmers. These folks aren't millionaires -- they're Mom and Pop, Inc.

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And before they're done, they're going to zero in on small business and scoop \$40 billion right out of the till -- \$40 billion in broad daylight. Those are the facts.

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Think about that for minute: That's money small business has earned -- that they can use to buy that new piece of equipment, or build that new addition to their plant, or hire those two new salesman or computer hackers. I say: let's leave it up to them. The American people know better than some Washington budget planner how to spend their own money.

So that's my opponents' plan: \$150 billion in new taxes ... a new 7 percent payroll tax ... not to mention a new job training tax. Add it up, and it equals 2.6 million: 2.6 million jobs lost. 2.6 million Americans, thrown out of work ... and onto welfare -- because my opponent thinks government deserves a pay raise.

[[For the life of me, I can't think how that's good for small business -- unless your business happens to be selling pink slips at the stationery store.]]

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Document No. 348424ss

BAL

WHITE HOUSE STAFFING MEMORANDUM

DATE: 9/3/92 ACTION/CONCURRENCE/COMMENT DUE BY: TODAY, ASAP!!!

SUBJECT: PRESIDENTIAL REMARKS: SMALL BUSINESS EVENT
FREDRICKSBURG, VIRGINIA - 9/4/92 - 9:30 a.m

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCBRIDE	<input type="checkbox"/>	<input checked="" type="checkbox"/>
BAKER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MOORE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input type="checkbox"/>	<input type="checkbox"/>	MULLINS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BATES	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PORTER	<input type="checkbox"/>	<input type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PROVOST	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BROMLEY	<input type="checkbox"/>	<input type="checkbox"/>	ROSS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CALIO	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SMITH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	TUTWILER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ZOELICK	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>KAUFMAN</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>MCGROARTY</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HORNER	<input type="checkbox"/>	<input type="checkbox"/>	<u>BOSKIN</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please forward your comments directly to Dan McGroarty, Rm. 122, x2930, AS SOON AS POSSIBLE, with a copy to this office. Thank you.

RESPONSE:

PHILLIP D. BRADY
Assistant to the President
and Staff Secretary
Ext. 2702

Ferguson/McGroarty/Gershowitz
September 3, 1992
2:30 p.m.
[small]

2 SEP 3 P2:35

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True?

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WJ
fishbone

5

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#

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

September 4, 1992

REMARKS BY THE PRESIDENT
IN ADDRESS TO THE FREDERICKSBURG COMMUNITY

Goolrick's Pharmacy
Fredericksburg, Virginia

11:00 A.M. EDT

THE PRESIDENT: Thank you, Dori, very much. Thank you, Dori. And thank all of you for this great welcome to this marvelous town. (Applause.) And may I salute two members of Congress with me -- Congressman George Allen, a good man -- and to Herb Bateman, another great Congressman. (Applause.) Two state delegates that you all know well -- Bill Howell and Bobby Orrock -- they're with us today -- (applause) -- and I want to thank your Mayor of 16 years, Lawrence Davies who greeted us at the airport. (Applause.)

You've got a lot to be proud of here. And I know that there are six Olympians from this area. (Applause.) And I salute all of them.

I told Barbara I was coming down to a hardware store this morning. (Laughter.) She told me I'd better come back with the tools to fix Millie's doghouse -- or else I'd be in one myself.

But here we are in Fredericksburg to talk about small business. And I'm going to ask you to bear with me, because some of these points are serious points about the future of this country, and we want to drive home the fact that businesses, like the one I just visited, Fredericksburg Hardware and Goolrick's here do more than sell doorknobs and drywall, hairnets and lipsticks. Small business generates the hope and the pride and the jobs that hold America together. (Applause.)

America's economy is working its way through a period of profound change. Many of the larger companies have retrenched and restructured -- and I know those changes have been difficult for many working Americans. But American small businesses -- they've shown the staying power -- creating new products by the thousands, and new jobs by the hundreds of thousands. And we are grateful to every small businessman and woman in this country. (Applause.) It is critical that we concentrate on the importance of small business to our economy. Because today, the defining challenge of the '90s is to reinvigorate our national economy, so that we can win -- we can win the competition in this whole new global economy.

In this election, you're going to hear two very different versions of how to do this. My opponent's answer is to turn inward -- to pretend that we can protect what we have. And ours is to look forward -- to open new markets, to prepare our people to compete, to restore the social fabric of this country, and to save and invest -- so that we can win. (Applause.)

And that's why we've placed small business at the heart of our agenda for America's economic future. Small businesses employ over half our workforce, create two-thirds of new American jobs. And they're the hothouse for innovation, risk-taking, and new ideas -- the powerful locomotive that will take our economy right down the tracks -- full steam ahead into the 21st Century. I am optimistic about this country. (Applause.)

MORE

When it comes to renewing the American economy, my loyalty lies with small business. I've actually held a job in the private sector -- something my opponent has not done. (Applause.) Half my life in the private sector and half in public life. And I started a small business, built it from the ground up, know what it is to go out and work with partners and employees. And I know what it's like to sweat out a tough deal, to shop for credit, to try your darndest to meet the next payroll -- and even if I got ulcers to prove it.

I believe that meeting a payroll is a good qualification for President of the United States of America. (Applause.) Now, let me tell you what must be done to help small businesses here and across the country. We've got to give business the relief from excessive government regulation. (Applause.) We need to increase access to credit and investment, and while Governor Clinton wants to raise taxes and has already proposed it, I want to cut the taxes on small business -- and I need a change in Congress to get that done. (Applause.)

I was out in Western Michigan the other day, talking to a group of people and small business leaders. I met a guy who runs an asphalt paving company. And he said, "Mr. President, when regulation doesn't make sense, it's the worker who pays -- with his job." And we are tackling this problem head-on. In January, I ordered a freeze on federal regulations. The businessmen and women have enough to worry about without Washington double-checking their every move. (Applause.)

Regulation -- less of it. But without the burden of overregulation, businesses can't grow without capital. And the credit crunch has hit our small businesses hard. And that's why we've been working with bankers and regulators to ease that crunch. We have the SBA, the Small Business Administration, working double-time to help these credit-starved businesses. And this year, we have increased by more than 30 percent the general business loan guarantees offered through the Small Business Administration more than \$6 billion going to men and women with good ideas, who want to turn those ideas into jobs. That's the kind of help government should be giving these businesses. (Applause.)

And I've also been trying to work with that gridlocked Congress to provide even more credit relief. (Applause.) That's a good idea. And this morning, you're going to see the result. We've come here to Fredericksburg to sign a new piece of legislation -- typical of us -- the Washington has got -- named the Small Business Credit and Business Opportunity Enhancement Act. But it's going to loosen up credit even more for deserving small businesses.

And not only does it increase the levels of SBA loans, it creates new ways of bringing investment to small business owners. And it reaches out to women and minority entrepreneurs who want to get started. And I've always believed that the most, the best economic program is a job. And this bill gives more Americans the tools to create a job. (Applause.)

Now, we're talking about regulation and credit. All that is good. But it won't do it if we cannot help take the monkey, that tax monkey, off the backs of small business. I am for lower taxes. He is for higher taxes. (Applause.)

And already we've taken a number of steps to streamline the ways small businesses pay their taxes. One example: Right now, small businesses have to file payroll taxes twice a week. And that's a waste. And I've proposed we change it to once a month, so businessmen and women can get back to the business of running their businesses. (Applause.)

Now, the Clinton-Gore tax-and-spend ticket doesn't understand that cutting the taxing capital investment is bad. None of our industrial competitors taxes capital gains at our punitive rates. And almost half of all new businesses literally begin at home, when enterprisers convert their own nest eggs into capital. And it is time to reward this initiative. It is time to make us competitive with businesses around the world. It is time to cut that tax on capital gains so these small businesses can thrive. (Applause.) And that's my agenda for small businesses -- three obstacles, three concrete steps to clear those obstacles out of the way.

Now, let me just get into the politics here. Where does Governor Clinton stand on small business? It's a strange coincidence, but his plan has three parts, too: tax, tax, and tax.

AUDIENCE: Boooo!

And I see small business as the backbone of the American economy, and he sees it as a golden egg-laying goose, that ought to pay more in taxes.

AUDIENCE: Boooo!

THE PRESIDENT: And he starts with a big idea. Here it is -- you heard the proposal right from him: Mr. Clinton says that he wants \$220 billion in new government spending.

AUDIENCE: Boo.

THE PRESIDENT: We don't need \$220 billion in new government spending. (Applause.)

You're right. And how will he pay for it? Nobody knows for sure, but he's already advocating at least another \$150 billion in new taxes. And now he says he wants to soak the rich, raise taxes on the top two percent. What he won't tell you is this: two out of every three businesspeople hit by that tax increase are small businesses or family farmers. And these folks aren't millionaires, they are mom and pop operators. And we don't need to tax them any more. (Applause.)

The Governor offers -- you know that program -- he offers the small business a reverse version of "The Lifestyles of the Rich and Famous." You may not live like a millionaire, but you can be taxed like one if you listen to Clinton and Gore. (Applause.) It is strange.

Health care. He's also backing a health care plan called play or pay. I was just in here in the hardware store, talking to the people there about the escalating costs of health care. His plan will leave small businesses with two options. One, cut workers' wages to pay for mandated health care; or, two, fire some workers and use the savings to cover the rest.

And according to an independent Urban Institute study, the plan will lead to a seven percent payroll tax for those businesses who don't play the government's game. And another estimate says the tax will cost this country 700,000 jobs. And we cannot afford to lose these jobs.

So that's his plan. It's out there in black and white, \$150 billion in new taxes, a new government health care plan leading to a new payroll tax of seven percent, not to mention a new training tax. And then you throw in an irresponsible slashing of our defense budget and it all adds up to 2.6 million, 2.6 million jobs lost. And we cannot have that. (Applause.)

The differences between the Governor and me are based on two very different philosophies. Look again at the health care issue -- and this is of critical importance to small business. Over the past two years 83 percent of small business owners have seen their health care costs increase. And at the same time, too many Americans are without coverage, or they're worried about losing the coverage they have.

And so let's go right down the line. My health care reform will give tax breaks and credits to make health care more affordable, so that 30 million people who can't get health care insurance will be safe and will have health care in the private sector. (Applause.)

He prefers taxes -- he says let's raise taxes and compel people to participate. And I say let's give tax incentives and encourage people to do what's right. (Applause.)

And I want to use the force of competition -- the force that's in action all along Main Street here -- the force of competition to keep these medical costs down. And he wants to put the government in the business of setting health care prices. That will not work. I want to go after the root causes of the health care. And he won't because the special interests won't let him.

Now, let me tell you one that's important here. I'll give you an example. Last year alone, legal costs inflated our doctors' bills by \$20 billion dollars. And so we've targeted these -- malpractice insurance for reform, as one way to keep costs down. And I don't think you should have to hire a lawyer when you want to see a doctor. (Applause.)

But Governor Clinton stands against malpractice reform. And there is a simple reason. The trial lawyers of America, the same fat cats who are getting rich off those malpractice lawsuits, are his staunchest supporters. And here's what one Arkansas trial lawyer wrote about him trying to raise money for the Clinton campaign: "I can never remember an occasion where he failed to do what was right where we trial lawyers are concerned."

Small businesses are drowning in litigation, and Governor Clinton wants to throw them a firehose. Well, help me get Congress to put an end to frivolous lawsuits. We'd be a lot better off if we sued each other less and cared for each other more in this country. (Applause.)

I have had proposals up before this gridlocked Congress for three years in a row. And now you've got a man who wants to run for president that says he doesn't want to do anything about malpractice. Let's change that Congress. Help me get this malpractice under control. (Applause.)

From taxes, to regulators, to health care, to the litigation explosion -- the election is a contest between two very different views of business and of how our economy works.

And here is the bottom line. He talks a good game, but his policies threaten to tax and spend and regulate you right out of business. Small business should not be the big government's piggy bank. (Applause.) And we are trying to do what is right for the average family, right for the man and woman that are out there holding a job working for a living. Reform welfare, help in every way we can to help the families in this country. (Applause.)

AUDIENCE: Four more years! Four more years!

THE PRESIDENT: Let me tell you something. I was in a hardware store and Mr. Jannie said something to me. He said, you see

my grandchildren here, he said I am very happy that they're going to grow up thanks to you and your administration in a world that has less fear of nuclear weapons. (Applause.) An administration that bit the bullet and did what was right in Desert Storm.

Now, give us your support and let's do what's right for the small businessman and woman in this country. (Applause.)

May God bless you. May God bless all of you and thank you very, very much. Thank you very much. (Applause.) Thank you all.

AUDIENCE: Four more years! Four more years!

THE PRESIDENT: Now if you've never seen legislation signed, watch this one because I'm now going to sign the Small Business Credit and Business Opportunity Enhancement Act of 1992, an example of what we can do to put small business first.

(The bill is signed.)

Thank you all for coming. (Applause.)

END

11:18 A.M. EDT