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# FOIA MARKER

**This is not a textual record. This is used as an administrative marker by the George Bush Presidential Library Staff.**

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**Record Group/Collection:** George H.W. Bush Presidential Records  
**Collection/Office of Origin:** Speechwriting, White House Office of  
**Series:** Speech File Draft Files  
**Subseries:** Chron File, 1989-1993

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**OA/ID Number:** 13642  
**Folder ID Number:** 13642-012

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**Folder Title:**  
Small Business Initiative 9/23/92 [OA 5813]

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Stack:	Row:	Section:	Shelf:	Position:
<b>G</b>	<b>26</b>	<b>18</b>	<b>5</b>	<b>1</b>

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## WHITE HOUSE STAFFING MEMORANDUM

DATE: 09/23/92 ACTION/CONCURRENCE/COMMENT DUE BY: ----

SUBJECT: PRESIDENTIAL REMARKS: SMALL BUSINESS INITIATIVES EVENT, GREENSBORO, NORTH CAROLINA - 09/23

	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 type="checkbox"/>	<input checked="" type="checkbox"/>
SCOWCROFT	<input type="checkbox"/>	<input type="checkbox"/>	MULLINS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DARMAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PETERSMEYER	<input type="checkbox"/>	<input type="checkbox"/>
BATES	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PORTER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PROVOST	<input type="checkbox"/>	<input checked="" type="checkbox"/>
BROMLEY	<input type="checkbox"/>	<input type="checkbox"/>	ROSS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CALIO	<input type="checkbox"/>	<input checked="" type="checkbox"/>	SMITH	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input type="checkbox"/>	<input checked="" type="checkbox"/>	TUTWILER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ZOELICK	<input type="checkbox"/>	<input checked="" type="checkbox"/>
GRAY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<del>KAUFMAN</del>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HOLIDAY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<del>MCGROARTY</del>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HORNER	<input type="checkbox"/>	<input type="checkbox"/>	GROOMES	<input type="checkbox"/>	<input checked="" type="checkbox"/>
			BOSKIN		<input checked="" type="checkbox"/>

REMARKS:

The attached has been forwarded to the President.

RESPONSE:

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

THE WHITE HOUSE  
WASHINGTON

2 SEP 22 10:21

September 22, 1992

MEMORANDUM FOR THE PRESIDENT

FROM: DAN MCGROARTY *DMC*  
SUBJECT: REMARKS IN GREENSBORO, N.C.

On Wednesday, September 23 at 9:20 a.m., you will address an audience of 2,000 businessmen and -women of the Triad business community at the Koury Convention Center in Greensboro, N.C.

Your remarks (25 minutes, teleprompter) focus primarily on the "Encouraging Entrepreneurial Capitalism" report you will be releasing, as well as comparing your record with Bill Clinton's in regard to small business issues.

McGroarty/Aarhus  
September 22, 1992  
9:00 p.m.

PRESIDENTIAL REMARKS: SMALL BUSINESS INITIATIVES EVENT  
GREENSBORO, NORTH CAROLINA  
SEPTEMBER 23, 1992  
9:20 A.M.

Thank you, Pat [Harrison], for those kind words.

[Acknowledgements. I also want to salute the woman who's done so much to advance the interests of America's small businesses, Administrator of the SBA, Pat Saiki.]

I've come here to Greensboro to talk about small business -  
- to drive home the fact that businesses, like the ones that come together in the Triad business community, generate the hope and the pride and the jobs that hold America together. //

Take Joe Koury [CORR-ee] -- a well-respected member of the Triad, and the father of four beautiful daughters. Joseph wasn't always the one-man conglomerate we see today. He started small: began building his empire in the early years after World War II, buying up the old Army barracks here in Greensboro and turning them into housing -- sometimes for the same GIs who'd trained there before going off to war, now come home to start a family. That ingenuity -- that spirit of enterprise -- that drive and dream tells us the meaning of opportunity ... the meaning of America. //

Now today, America's economy is working its way through a period of profound change. You see it here in North Carolina, just the way you do all across the country. Many of our 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 millions.

Let me give you one statistic that will drive home just what I mean. In the 1980s, the number of workers employed by Fortune 500 companies actually dropped. But in that same decade, small businesses boomed -- adding 16 million new jobs. //

The simple fact is, small businesses are often the first to adapt to a changing world -- the first to turn change to advantage -- the force at the leading edge of economic recovery.

That's why it's critical that we do all we can to strengthen small businesses -- remove obstacles that stand in their way, and create incentives that unleash America's entrepreneurial genius.

Helping small business reach for its dreams is key to my Agenda for America Renewal. / I've set a goal -- to make America the world's first \$10 trillion dollar economy in the early years of the 21st Century. And when we get to that goal -- not if, but when -- it won't be the chairmen of the Fortune 500 we have to thank -- it will be the men and women who run the small businesses that power America, the men and women of the Triad business community. //

Right now, small businesses employ over half our nation's workforce. Small businesses create two-thirds of the new jobs in America. Small businesses are hothouses for innovation, risk-taking, new ideas -- the engine of entrepreneurial capitalism that pulls this economy forward. //

I know -- because I've been there. 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 deal, shop for credit, stay up late worrying how you're going to meet the next payroll. And I've even had the ulcers to prove it.

And let me tell you: I happen to think that meeting a payroll isn't a bad qualification for being President of the United States. //

The contrast with my opponent couldn't be clearer. He's spent almost his entire adult life in government. When he wasn't in government, he practiced law and taught law school. He even worked in the Congress -- for his part-time job. [[That's where he gets his international experience, by the way: In the mailroom of the Senate Foreign Relations Committee.]]

So it shouldn't surprise you that when it comes to the economy, my opponent thinks government should lead -- directed by bureaucratic planners who couldn't run a business anywhere but into the ground. //

Now I believe government can play a role in helping small business. But it is a role of support -- not the lead. Not to put a new bureaucracy of government planners in the business of picking winners and losers -- but to help America do what it does best: to make way for the American entrepreneur, the little guy with the big idea.

I've put together a program to strengthen small business -- a program that will work, because it understands how small

businesses work. This is one important part of my comprehensive Agenda for America Renewal.

I'm releasing the full program today in a report I call Encouraging Entrepreneurial Capitalism. ((Hold up pamphlet.)) That's a fancy name for the small business savvy America is known for. Some of the ideas are ones we've been pushing for, for years -- some are new: All of them are solid, sensible ways to strengthen small business. // Here's what my program does:

First, it will help small businesses get started. Many new businesses literally begin at home -- when entrepreneurs convert their own "nest eggs" into capital. Germany doesn't tax capital gains at America's punitive rates -- neither does Japan. If we want to compete and win, it's time to reward the risk-takers who turn their dreams into tomorrow's jobs. It's time to cut the tax on capital gains. //

Because you've got to crawl before you can walk, we're also helping small businesses with an aggressive micro-loan program -- from a few hundred dollars up to \$25,000 at the critical early stages when new ventures are most vulnerable.

That's how we'll help entrepreneurs get their ideas off the ground -- and their businesses up and running.

But today, I want to take our efforts one step further. I am proposing a five-year, \$20 billion dollar small-business initiative -- to lift tax and regulatory burdens off the back of small business, and cut the costs of capital.

We start by knocking down the corporate tax rate on small businesses from 15 to 10 percent. My new initiative will smooth the way for small business start-ups -- by increasing the current small business deduction limit from \$10,000 to \$25,000. And it will allow entrepreneurs to deduct \$2,500 of their start-up costs in the first year.

My initiative includes steps to simplify tax laws for small businesses -- changes that will result in almost \$5 billion dollars in tax relief -- and should allow most small businesses to file a one- or two-page tax return. Finally, it eliminates capital gains on newly-issued small business stock. //

Part three of our small business program is to help existing small businesses find credit. / The best idea in the world can't work without capital. Entrepreneurs can't do it alone. They need credit to set up shop and expand.

Right now, you and I know: the credit crunch has hit small business hard. That's why we've been working with bankers and regulators across the country to free up the flow of credit to companies like yours. Our regulatory reform, for example, by the Securities and Exchange Commission, has made it easier for small businesses to raise capital through stock offerings -- to help growing firms get from Main Street to Wall Street. //

And I've had the Small Business Administration working overtime to help credit-starved businesses. This year alone, we've increased by more than 50 percent the loan guarantees

offered through the SBA -- more than \$6 billion for men and women with good ideas -- who want to turn those dreams into jobs. //

Small business is one of the most effective ways to bring minority Americans into the economic mainstream. That's why later today, Pat Saiki will release our plan to streamline the SBA's Minority Small Business program to bring economic opportunity to entrepreneurs all across America.

[[And tomorrow, Pat's going to go on to South Florida, to kick off what we call the Green Line program -- a program we test-marketed up in New England -- to provide a revolving line of credit to help small companies bridge the gap between production and payment. This Green Line initiative should be especially helpful to small firms seeking to get back to "business as usual" after Hurricane Andrew.]]

Fourth, we've got to help small businesses hire new workers and increase productivity. / Small businesses -- like every employer in America -- will benefit from education reforms like America 2000 / from our expanded job training initiatives / from enterprise zones / and legal reform that ends those sky's-the-limit lawsuits that can drive a small business into bankruptcy. But even all of that is not enough.

That's why I support aggressive new export promotion programs to help small businesses crack new markets abroad, and create new jobs here at home. / You see, in the 21st Century, America must be not just a military superpower, but an economic superpower -- an export superpower. Right now, a fraction of

America's companies -- 15 percent -- account for 85 percent of America's exports. We've got to open new markets for America's small businesses -- tap their explosive potential to make new customers not just down the street, but around the world.

Small business is already helping us pioneer new worlds -- leading the way in the bio-technology revolution. That's one key reason I strongly support a 100% increase in federal R&D funds to help small businesses generate the technologies of tomorrow.

Fifth, we've got to free small businesses from the tangle of red tape and regulation. Vice President Quayle has filled me in on a meeting he had not long ago with Richard Allen, who runs a furniture manufacturing company over in High Point. Federal reporting rules have gotten so bad, he's had to hire new staff just to read regulations. Frankly, that's one kind of job creation we could do without. Filling out federal forms shouldn't be a full-time job. //

That's why, in January of this year, I ordered a freeze on federal regulations. You work long and hard for your success. You should spend your time doing business -- not doing paperwork.

And finally, we've got to help small businesses provide for their workers. / To help the 15 million Americans who are self-employed, I want to raise the deduction for health insurance from 25 to 100 percent. I want to reform health insurance -- give small companies the same advantage bigger companies get when they shop for health care coverage, by encouraging small companies to pool together to buy insurance.

We want to create tax incentives to help small businesses offer their employees family leave -- not simply slap a mandate on small businesses' back. And we want to expand small businesses' ability to offer the portable pensions people will need in a dynamic economy. //

Taken together, that's a strong package -- a comprehensive program -- to give real-world help, right now, to the small businesses that make this economy grow. //

What about my opponent? What's his plan for small business? The difference couldn't be sharper. You see, I see small business as the backbone of the American economy. Mr. Clinton sees small business as the goose that lays the Golden Eggs. //

Bill Clinton's got big plans for bigger government -- and to pay for it, he's got a tax plan for almost every day of the week: Start with \$150 billion in new taxes. Add a payroll tax for training -- and a health care plan that will lead to a 7 percent payroll tax to finance the government takeover of health care.

I tell you, it's taxing just talking about it. / I guess that's why yesterday my subconscious spoke up -- and called my opponent Governor Taxes. //

Now, "Governor Taxes" says, yes, he wants to raise taxes -- and rolls out his standard "soak the rich" rhetoric. But what he won't tell you is this: two out of every three people hit by Bill Clinton's tax hike would be small business owners or family farmers. These folks aren't millionaires -- they're Mom and Pop,

Inc. //

Take a look at what Bill Clinton's tax plan would mean for small businesses right here in North Carolina. / If you're like the typical small business, you operate with a profit margin of about 2 percent. Your market is too competitive for you to pass on costs by raising prices -- you've already cut costs to the bone.

So when Bill Clinton's new taxes kick in, you've got a tough choice. His payroll taxes alone amount to 4 to 5 percent of your operating expenses. That's your profit margin -- and then some.

So here's your choice: you can board up the windows -- or you can get out the pink slips.

I want to invite Bill Clinton and his advisors to follow along for a little "business math." Just over half of all small businesses with between 10 and 20 employees have annual sales of \$500,000 to one million dollars. A 2% profit margin -- in the best case -- gives that business a \$20,000 profit.

Now, Bill Clinton's new taxes would cost that company between \$46,000 and \$56,000 dollars -- so after you've handed over your profit to the government, the only way to pay the rest of the tax is by putting someone out of work. //

In the case of my example, that's 2 or 3 employees -- 2 or 3 people out of a less than 20-person company who lose their jobs.

Think about that. Those 2 or 3 people aren't just numbers -- names on a payroll spreadsheet. They're real people -- friends and neighbors -- men and women with families to feed, mortgages

to pay. //

Now, if that 2 or 3 still doesn't sound like much -- keep this in mind. In North Carolina alone, 25% of all workers -- 638,000 people -- work in companies the same size as the one in my example, companies that will be crippled by Bill Clinton's new taxes. Across this state, North Carolina has thousands of businesses with less than 10 employees. More than 3,000 grocery stores. More than 2,500 small furniture stores. Four out of every five companies in the building trades. Book stores and beauty shops / laundries and video stores and TV repair shops: The list goes on and on. For them, Bill Clinton's tax plan means one thing: Misery on Main Street. //

America is a nation of small businesses -- and those small businesses will take a big hit under Bill Clinton's tax plan. My opponent couldn't do more damage to America's entrepreneurs if he'd declared war on small businesses. / Well, if you're like me, you've got to say: Small business shouldn't be big-government's piggy bank. //

Take a look for a moment at my approach -- and the contrast with Bill Clinton. / I want to strengthen small businesses across America by lowering taxes -- increasing R&D.

Bill Clinton wants to tax small businesses and small business owners so he can give big government a raise.

I want to cut red tape, eliminate excessive regulation and reform the ruinous legal system that's crippling this economy and killing small businesses. / Bill Clinton wants to saddle small

business with new mandates, and he's told the trial lawyers of America he wouldn't take away even one little loophole.

How about health care / job training / family leave?

I want to reform our health care system -- extend coverage to all Americans, use the market to drive costs down while keeping quality up. / Bill Clinton wants a payroll tax to finance the government takeover of health care.

I want to give displaced workers a voucher to buy the training they want. Bill Clinton? He wants to put a payroll tax on employers.

I want to use tax credits to encourage businesses to provide workers family leave. My opponent? Well ... you see the pattern ... more government rules and red tape.

Bill Clinton's got a "Punt, pass and kick" plan: // Punt the problem over to business. Pass the costs along. And kick the American worker -- right where he carries his wallet. //

You've got a choice in this election. A choice between two different philosophies -- two different directions to take this country. Bill Clinton puts his faith in the so-called "best and brightest." In his old Oxford cronies who believe "government knows best" -- just like the social welfare crowd that pulled Britain down before Maggie Thatcher pumped some life back in.

Well, I put my faith in the American people -- I want to see you keep control of the decisions that really matter in life. And when Bill Clinton says "government knows best" -- I say: You know better. //

Let me sum it up this way: Bill Clinton is wrong for America. And you know I'm right. //

Here's what Bill Clinton and the "government first" crowd just don't understand: Government can print money -- but it can't create wealth. The great ideas that make this economy grow don't begin in the marbled halls of some federal building back in Washington. More great ideas -- more of our GDP -- begins at a basement workbench, at the computer on your kitchen table, with the savings you set aside to start a business of your own. //

America is the envy of the world: not because its government is great -- but because its people are great. Because the American people are builders who dream, and dreamers who build.

We need a government that understands that fundamental fact. My program -- my Agenda for American Renewal -- will make the next American Century a new American Century, a time of peace and prosperity for all. //

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

# # #

**WHITE HOUSE  
SITUATION ROOM**

PRECEDENCE: IMMEDIATE  
PRIORITY  
ROUTINE

RELEASER: Phillips  
DTG: 212151Z SEP92

MESSAGE NO. 15 CLASSIFICATION unclassified PAGES 30  
FROM Steve Provost 7702 118  
(NAME) (PHONE NUMBER) (ROOM NO.)

MESSAGE DESCRIPTION \_\_\_\_\_

TO (AGENCY)	DELIVER TO	DEPT/ROOM NO.	PHONE NUMBER
<u>x/yc</u>	<u>Dan McGroarty</u>	<u>New York</u>	

*Handwritten in blue ink:*  
2878  
+ 208er

REMARKS:

September 20, 1992

MEMORANDUM FOR BOB ZOELLICK

FROM: DAN MC GROARTY *DMG*

SUBJECT: SMALL BUSINESS SPEECH

I've attached a draft, based on the outline and arguments we discussed, along with copies of the outline prepared by Roger Porter, and the North Carolina information supplied by Richard Billmeyer.

I've also provided copies of this draft to Roger Porter, Steve Provost and Dennis Ross. I will be at a wedding in Warrenton, Virginia from 2 p.m. today on.

- NW  
 - Presb. PK, 11/10  
 - 1 Month, 1992  
 - R. Porter  
 - Tax  
 - pamphlet  
 - Ed. H. - State up  
 - no projects  
 - Bill Long / Dave  
 - Grady - Hank Heibich

*Just yesterday....*

- R. Porter: Tax list  
 - Spin for other  
 - Tax no speech  
 - Tax

9/21 Noon  
Dan / Steve

- Some guide comments
- See last page for general comment
- Since much of this is dry detail, draw out more the idea of releasing a package (some ongoing, some new), but signaling importance

*RBZ*

McGroarty/Aarhus  
September 20, 1992  
11:00 a.m.  
[sb]

PRESIDENTIAL REMARKS: SMALL BUSINESS INITIATIVES EVENT  
-----, NORTH CAROLINA(?)  
SEPTEMBER 23, 1992  
TIME -- TBD

Thank you, -----, for those kind words.

[Acknowledgements/local color.]

I've come here to [....] to talk about small business -- to drive home the fact that businesses like [event site?] generate the hope and the pride and the jobs that hold America together.

//

America's economy is working its way through a period of profound change. You see it here in North Carolina, just the way you do all across the country. Many of our 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.

Let me give you one statistic that will drive home just what I mean. In the 1980s, the number of workers employed by Fortune 500 companies actually dropped, ~~by over 2 million~~. But in that same decade, small businesses boomed -- adding 12 and a half million new jobs. //

The simple fact is, small businesses are often the first to adapt to a changing world -- the first to turn change to

Something odd about these numbers: we needed 21 million in the expansion

advantage -- the force at the leading edge of economic recovery.

//

That's why it's critical that we do all we can to strengthen small businesses -- remove obstacles that stand in their way, and create incentives that unleash America's entrepreneurial genius.

Helping small business reach for its dreams is key to my Agenda for America Renewal. / I've set a goal -- to make America the world's first \$10 trillion dollar economy in the early years of the 21st Century. And when we get to that goal - not if, but when -- it won't be the chairmen of the Fortune 500 we have to thank -- it will be the men and women who run the small businesses that power America.

Right now, small business employs over half our workforce. Small business creates two-thirds of the new jobs in America. Small business is a hothouse for innovation, risk-taking, new ideas -- the engine of entrepreneurial capitalism that pulls this economy forward. //

I know -- because I've been there. 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 deal, shop for credit, stay up late worrying how you're going to meet the next payroll. And I've even had the ulcers to prove it.

And let me tell you: I happen to think that meeting a payroll isn't a bad qualification for being President of the United States. //

chk → *Now this is a contrast I want to sharpen with my opponents - because I believe our future is ~~decided~~ <sup>at stake</sup>*  
*My opponent has never worked for a business - never. When he went ~~working~~ in government, he thought ~~long~~ <sup>hard</sup>. He even came to Washington to the Congress - for his summer job. (That's where he got his international <sup>experience</sup>?)  
 \* experience, by the way, 2 summers in the mailroom (He's a clerk for the House of Representatives)  
 Not surprisingly, when it comes to the economy, my opponent thinks Govt should lead -- with planners*

Now I believe government can play an active role to help small business

But in ~~the~~ role of support, I need the lead

Reck thing

I want to focus today on what government can do to help small businesses: Not to create a Washington-run industrial policy -- ~~what my opponent calls euphemistically a "partnership" between business and government~~ -- not to put a new bureaucracy of government planners in the business of picking winners and losers -- but to help America do what it does best: to make way for the American entrepreneur, the little guy with the big idea.

I've put together a program to strengthen small business -- a program that will work, because it understands how small businesses work. Here's what it does:

First, our program will help small businesses get started.

/ Here's the fact: Almost half of all new businesses literally begin at home -- when entrepreneurs convert their own "nest eggs" into capital. Germany doesn't tax capital gains at America's punitive rates -- neither does Japan. If we want to compete and win, it's time to reward the risk-takers who turn their dreams into tomorrow's jobs. It's time to cut the tax on capital gains.

//

Because we know you've got to crawl before you can walk, we're also helping small businesses with an aggressive micro-loan program -- from a few hundred dollars up to \$25,000 dollars at the critical early stages when new ventures are most vulnerable.

*To early in the text to me*

Finally, I am announcing today a new initiative aimed at smoothing the way for small business start-ups -- by allowing entrepreneurs to expense \$2500 dollars of their start-up costs.

Note: Releasing it today in a paper: Some ideas were being pushed, some new, together so it focuses on ~~what~~ what's important for me + you of millions with jobs to healthy, growing small business

Right now /   
 ✓ /   
 find   
 sensitivity

That's how we'll help entrepreneurs get their ideas off the ground -- and their businesses up and running.

Part two of our small business program is to help existing small businesses find credit. // ~~I don't have to tell the small~~

<sup>you'd I know</sup> ~~businessmen here today~~: The credit crunch has hit small business hard. That's why we've been working with bankers and regulators

across the country to ease the crunch -- free up the flow of credit to [companies like yours]. // <sup>Our</sup> Regulatory reform <sup>free</sup> by the

for ex

Security and Exchange Commission, has made it easier for small businesses to raise capital through stock offerings -- to help growing firms get from Main Street to Wall Street. And I've had

the Small Business Administration working overtime to help credit-starved businesses. This year alone, we've increased by more than 50 percent the loan guarantees offered through SBA -- more than \$6 billion for men and women with good ideas -- who want to turn those dreams into jobs. //

But today, I want to take our efforts one step farther. / I want to announce a series of new steps we can take to help cut

the cost of capital: Steps to simplify pension rules for small businesses / to increase expensing limits and exempt small businesses from capitalization requirements meant for bigger businesses / to grant relief from the Alternative Minimum Tax for active investors in small businesses / to institute new inflation-adjusted inventory accounting rules / and finally, to eliminate capital gains on newly-issues small business stock.

Is this the Treasury staff?

This may be ok. has try to consider a catchier overarching message / line (b/c the details will smooth them)

Third, we've got to help small business hire new workers and increase productivity. / Small businesses -- like every employer in America -- will benefit from education reforms like America 2000 -- from our expanded job training initiatives / from enterprise zones / and legal reform that ends the sky's-the-limit lawsuits that can drive a small business into bankruptcy. But even all of that is not enough. We've got to target special assistance for small business.

That's why I support aggressive new export promotion programs to help small businesses crack new markets abroad -- and it's why I've ordered a 100% increase in federal R&D funds to help small businesses generate the technologies of tomorrow.

Fourth, we've got to free small businesses from the tangle of red tape and regulation. [[NORTH CAROLINA EXAMPLE OF EXCESSIVE REGULATION STRANGLING SMALL BUSINESS.]] That's why, in January of this year, I ordered a freeze on federal regulations. It's the reason I've gone forward without waiting for Congress to institute a series of tax reforms -- to streamline and simplify small business's tax reporting. You work long and hard for your success. You should spend your time doing business -- not doing paperwork.

And we've drawn the line against a Congress that's learned to say, "why pass a law -- when you can saddle America's businesses with another new federal mandate -- and let them figure out how to pay for it."

Fifth and finally, we've got to help small business provide for its workers. / To help the 15 million Americans who are self-employed, I want to raise the deductible for health insurance from 25 to 100 percent. I want to reform health insurance -- give small companies the same advantage bigger companies get when they shop for health care coverage, by encouraging small companies to pool together to buy insurance.

We want to create tax incentives to help small businesses offer their employees family leave -- not simply slap a mandate on small businesses' back. And we want to expand small businesses' ability to offer the portable pensions people will need in a dynamic economy. //

Taken together, that's a strong package -- a comprehensive program -- to give real-world help, right now, to the small businesses that make this economy grow. //

What about my opponent? What's his plan for small businesses? Well, the difference couldn't be sharper.

You see, I see small business as the backbone of the American economy. Mr. Clinton sees small business as the goose that lays the Golden Eggs. //

Bill Clinton's got big plans for bigger government -- and to pay for it, he's got a tax plan for almost every day of the week: Start with \$150 billion in new taxes. *A health care package that will lead to* Add a 7 percent payroll tax to finance the government-takeover of ~~health care~~. Add another payroll tax for training -- and a tax on foreign

companies operating here in the U.S. and employing American workers. // I tell you, it's taxing just talking about it.

Now, my opponent says, yes, he wants to raise taxes -- but only on the top 2 percent. Standard soak the rich rhetoric -- but what he won't tell you is this: two out of every three people hit by Bill Clinton's tax hike would be small businessmen or family farmers. These folks aren't millionaires -- they're Mom and Pop, Inc. //

Take a look at what Bill Clinton's tax plan would mean for small businesses right here in North Carolina. / If you're like the typical small business, you operate with a profit margin of about 2 percent. Your market is too competitive for you to pass on costs by raising prices -- you've already cut costs to the bone.

So when Bill Clinton's new taxes kick in, you've got a tough choice. His payroll taxes alone amount to 4 to 5 percent of your operating expenses. That's your profit margin -- and then some.

So here's your choice: you can board up the windows -- or you can get out the pink slips.

I want to invite Bill Clinton and his advisors to follow along for a little "business math." Just over half of all small businesses with between 10 and 20 employees have annual sales of between 500,000 and 1 million dollars. A 2% profit margin -- in the best case -- gives that business a \$20,000 profit.

Now, Bill Clinton's new taxes would cost that company between \$46,000 and 56,000 in added taxes -- so after you've

handed over your profit to the government, the only way to pay the rest of the tax is by putting someone out of work. //

In the case of my example, that's 2 or 3 employees -- 2 or 3 people out of a 20-person company who lose their jobs.

Think about that. Those 2 or 3 people aren't just numbers -- names on a payroll spreadsheet. They're real people -- friends and neighbors -- men and women with families to feed, mortgages to pay. //

Now, if that 2 or 3 still doesn't sound like much -- keep this in mind. In North Carolina alone, 25% of all workers -- 638,000 people -- work in companies the same size as the one in my example, companies that will be crippled by Bill Clinton's new taxes. Across this state, North Carolina has thousands of businesses with less than 10 employees. More than 3000 grocery stores. More than 3000 small furniture stores. 4 out of every 5 companies in the building trades. Book stores and beauty shops / laundries and video stores and TV repair shops: The list goes on and on. For them, Bill Clinton's tax plan means one thing: Misery on Main Street. //

America is a nation of small businesses -- and those small businesses will take a big hit under Bill Clinton's tax plan. My opponent couldn't do more damage <sup>to</sup> on America's entrepreneurs if he'd declared war on small businesses. Well, if you're like me, you've got to say: Small business shouldn't be big-government's piggy bank. //

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

Here's what Bill Clinton and the government first crowd just don't understand: Government can print money -- but it can't create wealth. The great ideas that make this economy grow don't begin in the marbled halls of some federal building back in Washington. More great ideas -- more of our GDP -- begins at a basement workbench, at the computer on your kitchen table, with the savings you set aside to start a business of your own. //

America is the envy of the world: not because its government is great -- but because its people are great. Because the American people are builders who dream, and dreamers who build.

We need a government that understands that fundamental fact. A government that knows when to help -- and when to get out of the way. My program -- my Agenda for American Renewal -- will make the next American Century a new American Century, a time of peace and prosperity for all. //

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

# # # This is possible  
↓

This at a minimum



- ✓ • Pls work in : You can't trust him -- his wrong for America
- ? • Since this is the day after Ark, it would be good to work the Ark record in some way: Taxes on business? (if possible)
- ✓ • Try to relate to our intl competition etc. Perhaps report having goal : Econ/Export Superpower -- Small business must be part of
- Use taxes (as you have) + Govt planners (as I propose) to sharpen the costbook

## WHITE HOUSE STAFFING MEMORANDUM

DATE: 9/22/92 ACTION/CONCURRENCE/COMMENT DUE BY: TODAY, 9/22 6:00pm

SUBJECT: PRESIDENTIAL REMARKS: SMALL BUSINESS INITIATIVES EVENT  
GREENSBORO, NORTH CAROLINA - 9/23 - 9:20am

	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 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 <i>To McG</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BROMLEY	<input type="checkbox"/>	<input type="checkbox"/>	ROSS <i>To McG</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CALIO	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SMITH <i>N/C</i>	<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"/>	X ZOELLYCK <i>to McG</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	KAUFMAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<del>MCGROARTY</del>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HORNER	<input type="checkbox"/>	<input type="checkbox"/>	<del>GROOMES</del>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
BOSKIN <i>to McG</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>			

**REMARKS:**

Please forward your comments directly to Dan McGroarty, Rm. 122, x2930, no later than 6:00 p.m., TODAY, SEPT. 22, with a copy to this office. Thank you.

**RESPONSE:**

*Called 5:00  
6:00*

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

McGroarty/Aarhus  
September 22, 1992  
2:00 p.m.  
[ncsb]

PRESIDENTIAL REMARKS: P 2:14  
SMALL BUSINESS INITIATIVES EVENT  
GREENSBORO, NORTH CAROLINA 22 P3:15  
SEPTEMBER 23, 1992  
9:20 A.M.

Thank you, Pat [Harrison], for those kind words.

[Acknowledgements.]

I've come here to Greensboro to talk about small business -  
- to drive home the fact that businesses, like the ones that come  
together in the Triad Business Community, generate the hope and  
the pride and the jobs that hold America together. //

Take Joseph Koury [CURR-ee] -- a well-respected member of  
the Triad. Joseph wasn't always the one-man conglomerate we see  
today. He started small: began building his empire in the early  
years after World War II, buying up the old Army barracks in  
[xxxx] and turning them into housing -- sometimes for the same  
GIs who'd trained there before going off to war, now come home to  
start a family. That ingenuity -- that spirit of enterprise --  
that drive and dream tells us the meaning of opportunity ... the  
meaning of America. //

Now today, America's economy is working its way through a  
period of profound change. You see it here in North Carolina,  
just the way you do all across the country. Many of our 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 millions.

Let me give you one statistic that will drive home just what I mean. In the 1980s, the number of workers employed by Fortune 500 companies actually dropped. But in that same decade, small businesses boomed -- adding 12 and a half million new jobs. //

The simple fact is, small businesses are often the first to adapt to a changing world -- the first to turn change to advantage -- the force at the leading edge of economic recovery.

That's why it's critical that we do all we can to strengthen small businesses -- remove obstacles that stand in their way, and create incentives that unleash America's entrepreneurial genius.

Helping small business reach for its dreams is key to my Agenda for America Renewal. / I've set a goal -- to make America the world's first \$10 trillion dollar economy in the early years of the 21st Century. And when we get to that goal - - not if, but when -- it won't be the chairmen of the Fortune 500 we have to thank -- it will be the men and women who run the small businesses that power America, the men and women of the Triad Business Community. //

Right now, small business employs over half our workforce. Small business creates two-thirds of the new jobs in America. Small business is a hothouse for innovation, risk-taking, new ideas -- the engine of entrepreneurial capitalism that pulls this economy forward. //

I know -- because I've been there. 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

deal, shop for credit, stay up late worrying how you're going to meet the next payroll. And I've even had the ulcers to prove it.

And let me tell you: I happen to think that meeting a payroll isn't a bad qualification for being President of the United States. //

The contrast with my opponent couldn't be clearer. He comes at small business from a different direction. My opponent has spent almost his entire adult life in government. When he wasn't in government, he practiced law and taught law school. He even came to Washington -- to the Congress -- for his summer jobs. [[That's where he gets his international experience, by the way: Two summers in the mailroom of the Senate Foreign Relations Committee.]]

So it shouldn't surprise you that when it comes to the economy, my opponent thinks government should lead -- with planners whose idea of running a business is to do whatever the American Political Science Association thinks should be done. //

Now I believe government can play a role in helping small business. But it is a role of support -- not the lead. Not to put a new bureaucracy of government planners in the business of picking winners and losers -- but to help America do what it does best: to make way for the American entrepreneur, the little guy with the big idea.

I've put together a program to strengthen small business -- a program that will work, because it understands how small

businesses work. This is one important part of my comprehensive Agenda for America Renewal.

I'm releasing the full program today in a report I call Encouraging Entrepreneurial Capitalism. ((Hold up pamphlet.)) That's a fancy name for the small business savvy America is known for. Some of the ideas are ones we've been pushing for, for years -- some are new: All of them are solid, sensible ways to strengthen small business. // Here's what it does:

First, our program will help small businesses get started. Many new businesses literally begin at home -- when entrepreneurs convert their own "nest eggs" into capital. Germany doesn't tax capital gains at America's punitive rates -- neither does Japan. If we want to compete and win, it's time to reward the risk-takers who turn their dreams into tomorrow's jobs. It's time to cut the tax on capital gains.

Because we know you've got to crawl before you can walk, we're also helping small businesses with an aggressive micro-loan program -- from a few hundred dollars up to \$25,000 at the critical early stages when new ventures are most vulnerable.

That's how we'll help entrepreneurs get their ideas off the ground -- and their businesses up and running.

Part two of our small business program is to help existing small businesses find credit. / The best idea in the world can't work without capital. Entrepreneurs can't do it alone. They need credit to set up shop and expand.

Right now, you and I know -- the credit crunch has hit small business hard. That's why we've been working with bankers and regulators across the country to ease the crunch -- free up the flow of credit to companies like yours. Our regulatory reform, for example, by the Securities and Exchange Commission, has made it easier for small businesses to raise capital through stock offerings -- to help growing firms get from Main Street to Wall Street. /

And I've had the Small Business Administration working overtime to help credit-starved businesses. This year alone, we've increased by more than 50 percent the loan guarantees offered through SBA -- more than \$6 billion for men and women with good ideas -- who want to turn those dreams into jobs. //

Small businesses is one of the most effective ways to bring minority Americans into the economic mainstream. That's why just yesterday, Pat Saiki of the SBA announced our plan to streamline our Minority Small Business program to bring economic opportunity to thousands of entrepreneurs in cities all across America.

But today, I want to take our efforts one step further. I am proposing a 5-year, \$20 billion dollar small-business initiative -- to lift tax and regulatory burdens off the back of small business, and cut the costs of capital.

My new initiative will smooth the way for small business start-ups -- by allowing entrepreneurs to expense \$2,500 dollars of their start-up costs. And it will increase the current small business expensing limit from \$10,000 to \$25,000 dollars.

It includes steps to simplify tax laws so that most small businesses can file a one- or two-page tax return. / My initiative will eliminate all capital gains on newly-issued small business stock -- and knock down the corporate tax rate on small businesses from 15 to 10 percent. //

Third, we've got to help small business hire new workers and increase productivity. / Small businesses -- like every employer in America -- will benefit from education reforms like America 2000 -- from our expanded job training initiatives / from enterprise zones / and legal reform that ends the sky's-the-limit lawsuits that can drive a small business into bankruptcy. But even all of that is not enough. We've got to target special assistance for small business.

That's why I support aggressive new export promotion programs to help small businesses crack new markets abroad, and create new jobs here at home. / You see, in the 21st Century, America must be not just a military superpower, but an economic superpower -- an export superpower. Right now, a fraction of America's companies -- 15 percent -- account for 85 percent of America's exports. We've got to open new markets for America's small businesses -- tap their explosive potential to make new customers not just down the street, but around the world.

Small business is already helping us pioneer new worlds -- lead the way in the bio-technology revolution. That's one key reason I've ordered a 100% increase in federal R&D funds to help small businesses generate the technologies of tomorrow.

Fourth, we've got to free small businesses from the tangle of red tape and regulation. [[NORTH CAROLINA EXAMPLE OF EXCESSIVE REGULATION STRANGLING SMALL BUSINESS.]] That's why, in January of this year, I ordered a freeze on federal regulations. It's the reason I've gone forward without waiting for Congress to streamline and simplify small business's tax reporting. You work long and hard for your success. You should spend your time doing business -- not doing paperwork.

And we've drawn the line against a Congress that's learned to say, "why pass a law -- when you can saddle America's businesses with another new federal mandate -- and let them figure out how to pay for it."

Fifth and finally, we've got to help small business provide for its workers. / To help the 15 million Americans who are self-employed, I want to raise the deductible for health insurance from 25 to 100 percent. I want to reform health insurance -- give small companies the same advantage bigger companies get when they shop for health care coverage, by encouraging small companies to pool together to buy insurance.

We want to create tax incentives to help small businesses offer their employees family leave -- not simply slap a mandate on small businesses' back. And we want to expand small businesses' ability to offer the portable pensions people will need in a dynamic economy. //

Taken together, that's a strong package -- a comprehensive program -- to give real-world help, right now, to the small businesses that make this economy grow. //

What about my opponent? What's his plan for small business? The difference couldn't be sharper. You see, I see small business as the backbone of the American economy. Mr. Clinton sees small business as the goose that lays the Golden Eggs. //

Bill Clinton's got big plans for bigger government -- and to pay for it, he's got a tax plan for almost every day of the week: Start with \$150 billion in new taxes. Add a health care plan that will lead to a 7 percent payroll tax to finance the government takeover of our hospitals. Add another payroll tax for training -- and a tax on foreign companies operating here in the U.S. and employing American workers. //

I tell you, it's taxing just talking about it. / I guess that's why yesterday my subconscious spoke up -- and called my opponent Governor Taxes. //

Now, "Governor Taxes" says, yes, he wants to raise taxes -- but only on the top 2 percent. Standard "soak the rich" rhetoric -- but what he won't tell you is this: two out of every three people hit by Bill Clinton's tax hike would be small business owners or family farmers. These folks aren't millionaires -- they're Mom and Pop, Inc. //

Take a look at what Bill Clinton's tax plan would mean for small businesses right here in North Carolina. / If you're like the typical small business, you operate with a profit margin of

about 2 percent. Your market is too competitive for you to pass on costs by raising prices -- you've already cut costs to the bone.

So when Bill Clinton's new taxes kick in, you've got a tough choice. His payroll taxes alone amount to 4 to 5 percent of your operating expenses. That's your profit margin -- and then some.

So here's your choice: you can board up the windows -- or you can get out the pink slips.

I want to invite Bill Clinton and his advisors to follow along for a little "business math." Just over half of all small businesses with between 10 and 20 employees have annual sales of \$500,000 to one million dollars. A 2% profit margin -- in the best case -- gives that business a \$20,000 profit.

Now, Bill Clinton's new taxes would cost that company between \$46,000 and \$56,000 dollars -- so after you've handed over your profit to the government, the only way to pay the rest of the tax is by putting someone out of work. //

In the case of my example, that's 2 or 3 employees -- 2 or 3 people out of a less than 20-person company who lose their jobs.

Think about that. Those 2 or 3 people aren't just numbers -- names on a payroll spreadsheet. They're real people -- friends and neighbors -- men and women with families to feed, mortgages to pay. //

Now, if that 2 or 3 still doesn't sound like much -- keep this in mind. In North Carolina alone, 25% of all workers -- 638,000 people -- work in companies the same size as the one in

my example, companies that will be crippled by Bill Clinton's new taxes. Across this state, North Carolina has thousands of businesses with less than 10 employees. More than 3000 grocery stores. More than 2500 small furniture stores. 4 out of every 5 companies in the building trades. Book stores and beauty shops / laundries and video stores and TV repair shops: The list goes on and on. For them, Bill Clinton's tax plan means one thing: Misery on Main Street. //

America is a nation of small businesses -- and those small businesses will take a big hit under Bill Clinton's tax plan. My opponent couldn't do more damage to America's entrepreneurs if he'd declared war on small businesses. / Well, if you're like me, you've got to say: Small business shouldn't be big-government's piggy bank. //

Take a look for a moment my approach -- and the contrast with Bill Clinton. / I want to strengthen small businesses across America by lowering taxes -- increasing R&D.

Bill Clinton wants to tax small businesses and small business owners so he can give big government a raise.

I want to cut red tape, eliminate excessive regulation and reform the ruinous legal system that's crippling this economy and killing small businesses. / Bill Clinton wants to saddle small business with new mandates, and he's told the trial lawyers of America he wouldn't take away even one little loophole.

How about health care / job training / family leave?

I want to reform our health care system -- extend coverage to all Americans, use the market to drive costs down while keeping quality up. / Bill Clinton wants a payroll tax to finance the government takeover of health care.

I want to give displaced workers a voucher to buy the training they want. Bill Clinton? He wants to put a payroll tax on workers.

I want to use tax credits to encourage businesses to provide workers family leave. My opponent? Well ... you see the pattern ... more government rules and red tape.

Bill Clinton's got a "Punt, pass and kick" plan: // Punt the problem over to business. Pass the costs along. And kick the American worker -- right where he carries his wallet. //

You've got a choice in this election. A choice between two different philosophies -- two different directions to take this country. Bill Clinton puts his faith in the so-called "best and brightest:" In his old Oxford cronies who believe "government knows best" -- just like the social welfare crowd that pulled Britain down before Maggie Thatcher pumped some life back in.

Well, I put my faith in the American people -- I want to see you keep control of the decisions that really matter in life. And when Bill Clinton says "government knows best" -- I say: You know better. //

Let me sum it up this way: Bill Clinton is wrong for America. And you know I'm right. //

Here's what Bill Clinton and the "government first" crowd just don't understand: Government can print money -- but it can't create wealth. The great ideas that make this economy grow don't begin in the marbled halls of some federal building back in Washington. More great ideas -- more of our GDP -- begins at a basement workbench, at the computer on your kitchen table, with the savings you set aside to start a business of your own. //

America is the envy of the world: not because its government is great -- but because its people are great. Because the American people are builders who dream, and dreamers who build.

We need a government that understands that fundamental fact. My program -- my Agenda for American Renewal -- will make the next American Century a new American Century, a time of peace and prosperity for all. //

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

# # #

W/ D. Ross comments

McGroarty/Aarhus  
September 22, 1992  
2:00 p.m.

\*\*\*UPDATED\*\*\*

PRESIDENTIAL REMARKS: SMALL BUSINESS INITIATIVES EVENT  
GREENSBORO, NORTH CAROLINA  
SEPTEMBER 23, 1992  
9:20 A.M.

please  
return  
to file.

Thank you, Pat [Harrison], for those kind words.

[Acknowledgements. I also want to salute the woman who's done so much to advance the interests of America's small businesses, Administrator of the SBA, Pat Saiki.]

I've come here to Greensboro to talk about small business -  
- to drive home the fact that businesses, like the ones that come together in the Triad Business Community, generate the hope and the pride and the jobs that hold America together. //

Take Joseph Koury [CORR-ee] -- a well-respected member of the Triad. Joseph wasn't always the one-man conglomerate we see today. He started small: began building his empire in the early years after World War II, buying up the old Army barracks in [xxxx] and turning them into housing -- sometimes for the same GIs who'd trained there before going off to war, now come home to start a family. That ingenuity -- that spirit of enterprise -- that drive and dream tells us the meaning of opportunity ... the meaning of America. //

Now today, America's economy is working its way through a period of profound change. You see it here in North Carolina, just the way you do all across the country. Many of our 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 millions.

Let me give you one statistic that will drive home just what I mean. In the 1980s, the number of workers employed by Fortune 500 companies actually dropped. But in that same decade, small businesses boomed -- adding 16 million new jobs. //

The simple fact is, small businesses are often the first to adapt to a changing world -- the first to turn change to advantage -- the force at the leading edge of economic recovery.

That's why it's critical that we do all we can to strengthen small businesses -- remove obstacles that stand in their way, and create incentives that unleash America's entrepreneurial genius.

Helping small business reach for its dreams is key to my Agenda for America Renewal. / I've set a goal -- to make America the world's first \$10 trillion dollar economy in the early years of the 21st Century. And when we get to that goal -- not if, but when -- it won't be the chairmen of the Fortune 500 we have to thank -- it will be the men and women who run the small businesses that power America, the men and women of the Triad Business Community. //

Right now, small business employs over half our workforce. Small business creates two-thirds of the new jobs in America. Small business is a hothouse for innovation, risk-taking, new ideas -- the engine of entrepreneurial capitalism that pulls this economy forward. //

I know -- because I've been there. 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 deal, shop for credit, stay up late worrying how you're going to meet the next payroll. And I've even had the ulcers to prove it.

And let me tell you: I happen to think that meeting a payroll isn't a bad qualification for being President of the United States. //

The contrast with my opponent couldn't be clearer. He comes at small business from a different direction. My opponent has spent almost his entire adult life in government. When he wasn't in government, he practiced law and taught law school. He even came to Washington -- to the Congress -- for his summer jobs. [[That's where he gets his international experience, by the way: Two summers in the mailroom of the Senate Foreign Relations Committee.]]

So it shouldn't surprise you that when it comes to the economy, my opponent thinks government should lead -- with planners whose idea of running a business is to do whatever the American Political Science Association thinks should be done. //

Now I believe government can play a role in helping small business. But it is a role of support -- not the lead. Not to put a new bureaucracy of government planners in the business of picking winners and losers -- but to help America do what it does best: to make way for the American entrepreneur, the little guy with the big idea.

I've put together a program to strengthen small business -- a program that will work, because it understands how small businesses work. This is one important part of my comprehensive Agenda for America Renewal.

I'm releasing the full program today in a report I call Encouraging Entrepreneurial Capitalism. ((Hold up pamphlet.)) That's a fancy name for the small business savvy America is known for. Some of the ideas are ones we've been pushing for, for years -- some are new: All of them are solid, sensible ways to strengthen small business. // Here's what it does:

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That's how we'll help entrepreneurs get their ideas off the ground -- and their businesses up and running.

Part two of our small business program is to help existing small businesses find credit. / The best idea in the world

can't work without capital. Entrepreneurs can't do it alone. They need credit to set up shop and expand.

Right now, you and I know: the credit crunch has hit small business hard. That's why we've been working with bankers and regulators across the country to free up the flow of credit to companies like yours. Our regulatory reform, for example, by the Securities and Exchange Commission, has made it easier for small businesses to raise capital through stock offerings -- to help growing firms get from Main Street to Wall Street. /

And I've had the Small Business Administration working overtime to help credit-starved businesses. This year alone, we've increased by more than 50 percent the loan guarantees offered through SBA -- more than \$6 billion for men and women with good ideas -- who want to turn those dreams into jobs. //

Small businesses is one of the most effective ways to bring minority Americans into the economic mainstream. That's why just yesterday, Pat Saiki announced our plan to streamline our Minority Small Business program to bring economic opportunity to thousands of entrepreneurs in cities all across America.

[[And tomorrow, Pat's going to go on to South Florida, to kick off what we call the Green Line program -- a program we test-marketed up in New England -- to provide a revolving line of credit to help small companies bridge the gap between production and payment. This Green Line initiative should be especially helpful to small firms seeking to get back to "business as usual" after Hurricane Andrew.]]

But today, I want to take our efforts one step further. I am proposing a 5-year, \$20 billion dollar small-business initiative -- to lift tax and regulatory burdens off the back of small business, and cut the costs of capital.

My new initiative will smooth the way for small business start-ups -- by allowing entrepreneurs to <sup>deduct?</sup> ~~expense~~ \$2,500 dollars of their start-up costs. And it will increase the current small business expensing limit from \$10,000 to \$25,000 dollars.

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Third, we've got to help small business hire new workers and increase productivity. / Small businesses -- like every employer in America -- will benefit from education reforms like America 2000 -- from our expanded job training initiatives / from enterprise zones / and legal reform that ends the sky's-the-limit lawsuits that can drive a small business into bankruptcy. But even all of that is not enough. We've got to target special assistance for small business.

That's why I support aggressive new export promotion programs to help small businesses crack new markets abroad, and create new jobs here at home. / You see, in the 21st Century, America must be not just a military superpower, but an economic superpower -- an export superpower. Right now, a fraction of

explain or delete!  
J. Hernandez

D. Ross

America's companies -- 15 percent -- account for 85 percent of America's exports. We've got to open new markets for America's small businesses -- tap their explosive potential to make new customers not just down the street, but around the world.

Small business is already helping us pioneer new worlds -- lead the way in the bio-technology revolution. That's one key reason I've ordered a 100% increase in federal R&D funds to help small businesses generate the technologies of tomorrow.

Fourth, we've got to free small businesses from the tangle of red tape and regulation. Vice President Quayle has filled me in on a meeting he had not long ago with Richard Allen, who runs a furniture making company over in High Point. Federal reporting rules have gotten so bad, he's had to hire new staff just to read regulations. Frankly, that's one kind of job creation we could do without. Filling out federal forms shouldn't be a full-time job. //

That's why, in January of this year, I ordered a freeze on federal regulations. It's the reason I've gone forward without waiting for Congress to streamline and simplify small business's tax reporting. You work long and hard for your success. You should spend your time doing business -- not doing paperwork.

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Now, "Governor Taxes" says, yes, he wants to raise taxes -- but only on the top 2 percent. Standard "soak the rich" rhetoric -- but what he won't tell you is this: two out of every three people hit by Bill Clinton's tax hike would be small business owners or family farmers. These folks aren't millionaires -- they're Mom and Pop, Inc. //

Take a look at what Bill Clinton's tax plan would mean for small businesses right here in North Carolina. / If you're like the typical small business, you operate with a profit margin of about 2 percent. Your market is too competitive for you to pass on costs by raising prices -- you've already cut costs to the bone.

So when Bill Clinton's new taxes kick in, you've got a tough choice. His payroll taxes alone amount to 4 to 5 percent of your operating expenses. That's your profit margin -- and then some.

So here's your choice: you can board up the windows -- or you can get out the pink slips.

I want to invite Bill Clinton and his advisors to follow along for a little "business math." Just over half of all small businesses with between 10 and 20 employees have annual sales of \$500,000 to one million dollars. A 2% profit margin -- in the best case -- gives that business a \$20,000 profit.

D Ross  
good  
Section

Now, Bill Clinton's new taxes would cost that company between \$46,000 and \$56,000 dollars -- so after you've handed over your profit to the government, the only way to pay the rest of the tax is by putting someone out of work. //

In the case of my example, that's 2 or 3 employees -- 2 or 3 people out of a less than 20-person company who lose their jobs.

Think about that. Those 2 or 3 people aren't just numbers -- names on a payroll spreadsheet. They're real people -- friends and neighbors -- men and women with families to feed, mortgages to pay. //

Now, if that 2 or 3 still doesn't sound like much -- keep this in mind. In North Carolina alone, 25% of all workers -- 638,000 people -- work in companies the same size as the one in my example, companies that will be crippled by Bill Clinton's new taxes. Across this state, North Carolina has thousands of businesses with less than 10 employees. More than 3000 grocery stores. More than 2500 small furniture stores. 4 out of every 5 companies in the building trades. Book stores and beauty shops / laundries and video stores and TV repair shops: The list goes on and on. For them, Bill Clinton's tax plan means one thing: Misery on Main Street. //

America is a nation of small businesses -- and those small businesses will take a big hit under Bill Clinton's tax plan. My opponent couldn't do more damage to America's entrepreneurs if he'd declared war on small businesses. / Well, if you're like

me, you've got to say: Small business shouldn't be big-government's piggy bank. //

Take a look for a moment my approach -- and the contrast with Bill Clinton. / I want to strengthen small businesses across America by lowering taxes -- increasing R&D.

Bill Clinton wants to tax small businesses and small business owners so he can give big government a raise.

I want to cut red tape, eliminate excessive regulation and reform the ruinous legal system that's crippling this economy and killing small businesses. / Bill Clinton wants to saddle small business with new mandates, and he's told the trial lawyers of America he wouldn't take away even one little loophole.

How about health care / job training / family leave?

I want to reform our health care system -- extend coverage to all Americans, use the market to drive costs down while keeping quality up. / Bill Clinton wants a payroll tax to finance the government takeover of health care.

I want to give displaced workers a voucher to buy the training they want. Bill Clinton? He wants to put a payroll tax on workers.

I want to use tax credits to encourage businesses to provide workers family leave. My opponent? Well ... you see the pattern ... more government rules and red tape.

Bill Clinton's got a "Punt, pass and kick" plan: // Punt the problem over to business. Pass the costs along. And kick the American worker -- right where he carries his wallet. //

You've got a choice in this election. A choice between two different philosophies -- two different directions to take this country. Bill Clinton puts his faith in the so-called "best and brightest:" In his old Oxford cronies who believe "government knows best" -- just like the social welfare crowd that pulled Britain down before Maggie Thatcher pumped some life back in.

Well, I put my faith in the American people -- I want to see you keep control of the decisions that really matter in life. And when Bill Clinton says "government knows best" -- I say: You know better. //

Let me sum it up this way: Bill Clinton is wrong for America. And you know I'm right. //

Here's what Bill Clinton and the "government first" crowd just don't understand: Government can print money -- but it can't create wealth. The great ideas that make this economy grow don't begin in the marbled halls of some federal building back in Washington. More great ideas -- more of our GDP -- begins at a basement workbench, at the computer on your kitchen table, with the savings you set aside to start a business of your own. //

America is the envy of the world: not because its government is great -- but because its people are great. Because the American people are builders who dream, and dreamers who build.

We need a government that understands that fundamental fact. My program -- my Agenda for American Renewal -- will make the next American Century a new American Century, a time of peace and prosperity for all. //

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

9-22-92

92 SEP 22 P7:18

**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.

James C. Murr  
Associate Director for  
Legislative Reference  
and Administration

WHITE HOUSE STAFFING MEMORANDUM

DATE: 9/22/92 ACTION/CONCURRENCE/COMMENT DUE BY: TODAY, 9/22 6:00pm

PRESIDENTIAL REMARKS: SMALL BUSINESS INITIATIVES EVENT  
 SUBJECT: GREENSBORO, NORTH CAROLINA - 9/23 - 9:20am

	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 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>GROOMES</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
BOSKIN	<input checked="" type="checkbox"/>				

REMARKS:

Please forward your comments directly to Dan McGroarty, Rm. 122, x2930, no later than 6:00 p.m., TODAY, SEPT. 22, with a copy to this office. Thank you.

RESPONSE:

*See comments  
 (R. Brady may respond at a later time)*

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

McGroarty/Aarhus  
September 22, 1992  
2:00 p.m.  
[ncsb]

PRESIDENTIAL REMARKS: P 2:14  
SMALL BUSINESS INITIATIVES EVENT  
GREENSBORO, NORTH CAROLINA 22 P 3:15  
SEPTEMBER 23, 1992  
9:20 A.M.

Thank you, Pat [Harrison], for those kind words.

[Acknowledgements.]

I've come here to Greensboro to talk about small business -  
- to drive home the fact that businesses, like the ones that come  
together in the Triad Business Community, generate the hope and  
the pride and the jobs that hold America together. //

Take Joseph Koury [CURR-ee] -- a well-respected member of  
the Triad. Joseph wasn't always the one-man conglomerate we see  
today. He started small: began building his empire in the early  
years after World War II, buying up the old Army barracks in  
[xxxx] and turning them into housing -- sometimes for the same  
GIs who'd trained there before going off to war, now come home to  
start a family. That ingenuity -- that spirit of enterprise --  
that drive and dream tells us the meaning of opportunity ... the  
meaning of America. //

Now today, America's economy is working its way through a  
period of profound change. You see it here in North Carolina,  
just the way you do all across the country. Many of our 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 millions.

Let me give you one statistic that will drive home just what I mean. In the 1980s, the number of workers employed by Fortune 500 companies actually dropped. But in that same decade, small businesses boomed -- adding 12 and a half million new jobs. //

The simple fact is, small businesses are often the first to adapt to a changing world -- the first to turn change to advantage -- the force at the leading edge of economic recovery.

That's why it's critical that we do all we can to strengthen small businesses -- remove obstacles that stand in their way, and create incentives that unleash America's entrepreneurial genius.

Helping small business reach for its dreams is key to my Agenda for America Renewal. / I've set a goal -- to make America the world's first \$10 trillion dollar economy in the early years of the 21st Century. And when we get to that goal - - not if, but when -- it won't be the chairmen of the Fortune 500 we have to thank -- it will be the men and women who run the small businesses that power America, the men and women of the Triad Business Community. //

Right now, small business employs over half our workforce. Small business creates two-thirds of the new jobs in America. Small business is a hothouse for innovation, risk-taking, new ideas -- the engine of entrepreneurial capitalism that pulls this economy forward. //

I know -- because I've been there. 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

deal, shop for credit, stay up late worrying how you're going to meet the next payroll. And I've even had the ulcers to prove it.

And let me tell you: I happen to think that meeting a payroll isn't a bad qualification for being President of the United States. //

The contrast with my opponent couldn't be clearer. He comes at small business from a different direction. My opponent has spent almost his entire adult life in government. When he wasn't in government, he practiced law and taught law school. He even came to Washington -- to the Congress -- for his summer jobs. [[That's where he gets his international experience, by the way: Two summers in the mailroom of the Senate Foreign Relations Committee.]]

So it shouldn't surprise you that when it comes to the economy, my opponent thinks government should lead -- with planners whose idea of running a business is to do whatever the American Political Science Association thinks should be done. //

Now I believe government can play a role in helping small business. But it is a role of support -- not the lead. Not to put a new bureaucracy of government planners in the business of picking winners and losers -- but to help America do what it does best: to make way for the American entrepreneur, the little guy with the big idea.

I've put together a program to strengthen small business -- a program that will work, because it understands how small

businesses work. This is one important part of my comprehensive Agenda for America Renewal.

I'm releasing the full program today in a report I call Encouraging Entrepreneurial Capitalism. ((Hold up pamphlet.)) That's a fancy name for the small business savvy America is known for. Some of the ideas are ones we've been pushing for, for years -- some are new: All of them are solid, sensible ways to strengthen small business. // Here's what it does:

First, our program will help small businesses get started. Many new businesses literally begin at home -- when entrepreneurs convert their own "nest eggs" into capital. Germany doesn't tax capital gains at America's punitive rates -- neither does Japan. If we want to compete and win, it's time to reward the risk-takers who turn their dreams into tomorrow's jobs. It's time to cut the tax on capital gains.

Because we know you've got to crawl before you can walk, we're also helping small businesses with an aggressive micro-loan program -- from a few hundred dollars up to \$25,000 at the critical early stages when new ventures are most vulnerable.

That's how we'll help entrepreneurs get their ideas off the ground -- and their businesses up and running.

Part two of our small business program is to help existing small businesses find credit. / The best idea in the world can't work without capital. Entrepreneurs can't do it alone. They need credit to set up shop and expand.

Right now, you and I know -- the credit crunch has hit small business hard. That's why we've been working with bankers and regulators across the country to ease the crunch -- free up the flow of credit to companies like yours. Our regulatory reform, for example, by the Securities and Exchange Commission, has made it easier for small businesses to raise capital through stock offerings -- to help growing firms get from Main Street to Wall Street. /

And I've had the Small Business Administration working overtime to help credit-starved businesses. This year alone, we've increased by more than 50 percent the loan guarantees offered through SBA -- more than \$6 billion for men and women with good ideas -- who want to turn those dreams into jobs. //

Small businesses is one of the most effective ways to bring minority Americans into the economic mainstream. That's why just yesterday, Pat Saiki of the SBA announced our plan to streamline our Minority Small Business program to bring economic opportunity to thousands of entrepreneurs in cities all across America.

But today, I want to take our efforts one step further. I am proposing a 5-year, \$20 billion dollar small-business initiative -- to lift tax and regulatory burdens off the back of small business, and cut the costs of capital.

My new initiative will smooth the way for small business start-ups -- by allowing entrepreneurs to expense \$2,500 dollars of their start-up costs. And it will increase the current small business expensing limit from \$10,000 to \$25,000 dollars.

It includes steps to simplify tax laws so that most small businesses can file a one- or two-page tax return. / My initiative will eliminate all capital gains on newly-issued small business stock -- and knock down the corporate tax rate on small businesses from 15 to 10 percent. //

Third, we've got to help small business hire new workers and increase productivity. / Small businesses -- like every employer in America -- will benefit from education reforms like America 2000 -- from our expanded job training initiatives / from enterprise zones / and legal reform that ends the sky's-the-limit lawsuits that can drive a small business into bankruptcy. But even all of that is not enough. We've got to target special assistance for small business.

That's why I support aggressive new export promotion programs to help small businesses crack new markets abroad, and create new jobs here at home. / You see, in the 21st Century, America must be not just a military superpower, but an economic superpower -- an export superpower. Right now, a fraction of America's companies -- 15 percent -- account for 85 percent of America's exports. We've got to open new markets for America's small businesses -- tap their explosive potential to make new customers not just down the street, but around the world.

Small business is already helping us pioneer new worlds -- lead the way in the bio-technology revolution. That's one key reason I've ordered a 100% increase in federal R&D funds to help small businesses generate the technologies of tomorrow.

(Mavin 3/804)

Fourth, we've got to free small businesses from the tangle of red tape and regulation. [[NORTH CAROLINA EXAMPLE OF EXCESSIVE REGULATION STRANGLING SMALL BUSINESS.]] That's why, in January of this year, I ordered a freeze on federal regulations. It's the reason I've gone forward without waiting for Congress to streamline and simplify small business's tax reporting. You work long and hard for your success. You should spend your time doing business -- not doing paperwork.

Talk to Donna Ballenger (wife of Rep. Cass Ballenger about Aerepawio. She's care in child care a day care owner operator & has strong views

And we've drawn the line against a Congress that's learned to say, "why pass a law -- when you can saddle America's businesses with another new federal mandate -- and let them figure out how to pay for it."

Fifth and finally, we've got to help small business provide for its workers. / To help the 15 million Americans who are self-employed, I want to raise the deductible for health insurance from 25 to 100 percent. I want to reform health insurance -- give small companies the same advantage bigger companies get when they shop for health care coverage, by encouraging small companies to pool together to buy insurance.

We want to create tax incentives to help small businesses offer their employees family leave -- not simply slap a mandate on small businesses' back. And we want to expand small businesses' ability to offer the portable pensions people will need in a dynamic economy. //

Taken together, that's a strong package -- a comprehensive program -- to give real-world help, right now, to the small businesses that make this economy grow. //

What about my opponent? What's his plan for small business? The difference couldn't be sharper. You see, I see small business as the backbone of the American economy. Mr. Clinton sees small business as the goose that lays the Golden Eggs. //

Bill Clinton's got big plans for bigger government -- and to pay for it, he's got a tax plan for almost every day of the week: Start with \$150 billion in new taxes. Add a health care plan that will lead to a 7 percent payroll tax to finance the government takeover of our hospitals. Add another payroll tax for training -- and a tax on foreign companies operating here in the U.S. and employing American workers. //

I tell you, it's taxing just talking about it. / I guess that's why yesterday my subconscious spoke up -- and called my opponent Governor Taxes. //

Now, "Governor Taxes" says, yes, he wants to raise taxes -- but only on the top 2 percent. Standard "soak the rich" rhetoric -- but what he won't tell you is this: two out of every three people hit by Bill Clinton's tax hike would be small business owners or family farmers. These folks aren't millionaires -- they're Mom and Pop, Inc. //

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Now, Bill Clinton's new taxes would cost that company between \$46,000 and \$56,000 dollars -- so after you've handed over your profit to the government, the only way to pay the rest of the tax is by putting someone out of work. //

In the case of my example, that's 2 or 3 employees -- 2 or 3 people out of a less than 20-person company who lose their jobs.

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3804)

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McGroarty/Aarhus  
September 22, 1992  
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[ncsb]

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That's why I support aggressive new export promotion programs to help small businesses crack new markets abroad, and create new jobs here at home. / You see, in the 21st Century, America must be not just a military superpower, but an economic superpower -- an export superpower. Right now, a fraction of America's companies -- 15 percent -- account for 85 percent of America's exports. We've got to open new markets for America's small businesses -- tap their explosive potential to make new customers not just down the street, but around the world.

Small business is already helping us pioneer new worlds -- lead the way in the bio-technology revolution. That's one key reason I've ordered a 100% increase in federal R&D funds to help small businesses generate the technologies of tomorrow.

Fourth, we've got to free small businesses from the tangle of red tape and regulation. [[NORTH CAROLINA EXAMPLE OF EXCESSIVE REGULATION STRANGLING SMALL BUSINESS.]] That's why, in January of this year, I ordered a freeze on federal regulations. It's the reason I've gone forward without waiting for Congress to streamline and simplify small business's tax reporting. You work long and hard for your success. You should spend your time doing business -- not doing paperwork.

And we've drawn the line against a Congress that's learned to say, "why pass a law -- when you can saddle America's businesses with another new federal mandate -- and let them figure out how to pay for it."

Fifth and finally, we've got to help small business provide for its workers. / To help the 15 million Americans who are self-employed, I want to raise the deductible for health insurance from 25 to 100 percent. I want to reform health insurance -- give small companies the same advantage bigger companies get when they shop for health care coverage, by encouraging small companies to pool together to buy insurance.

We want to create tax incentives to help small businesses offer their employees family leave -- not simply slap a mandate on small businesses' back. And we want to expand small businesses' ability to offer the portable pensions people will need in a dynamic economy. //

Taken together, that's a strong package -- a comprehensive program -- to give real-world help, right now, to the small businesses that make this economy grow. //

What about my opponent? What's his plan for small business? The difference couldn't be sharper. You see, I see small business as the backbone of the American economy. Mr. Clinton sees small business as the goose that lays the Golden Eggs. //

Bill Clinton's got big plans for bigger government -- and to pay for it, he's got a tax plan for almost every day of the week: Start with \$150 billion in new taxes. Add a health care plan that will lead to a 7 percent payroll tax to finance the government takeover of our hospitals. Add another payroll tax for training -- and a tax on foreign companies operating here in the U.S. and employing American workers. //

I tell you, it's taxing just talking about it. / I guess that's why yesterday my subconscious spoke up -- and called my opponent Governor Taxes. //

Now, "Governor Taxes" says, yes, he wants to raise taxes -- but only on the top 2 percent. Standard "soak the rich" rhetoric -- but what he won't tell you is this: two out of every three people hit by Bill Clinton's tax hike would be small business owners or family farmers. These folks aren't millionaires -- they're Mom and Pop, Inc. //

Take a look at what Bill Clinton's tax plan would mean for small businesses right here in North Carolina. / If you're like the typical small business, you operate with a profit margin of

about 2 percent. Your market is too competitive for you to pass on costs by raising prices -- you've already cut costs to the bone.

So when Bill Clinton's new taxes kick in, you've got a tough choice. His payroll taxes alone amount to 4 to 5 percent of your operating expenses. That's your profit margin -- and then some.

So here's your choice: you can board up the windows -- or you can get out the pink slips.

I want to invite Bill Clinton and his advisors to follow along for a little "business math." Just over half of all small businesses with between 10 and 20 employees have annual sales of \$500,000 to one million dollars. A 2% profit margin -- in the best case -- gives that business a \$20,000 profit.

Now, Bill Clinton's new taxes would cost that company between \$46,000 and \$56,000 dollars -- so after you've handed over your profit to the government, the only way to pay the rest of the tax is by putting someone out of work. //

In the case of my example, that's 2 or 3 employees -- 2 or 3 people out of a less than 20-person company who lose their jobs.

Think about that. Those 2 or 3 people aren't just numbers -- names on a payroll spreadsheet. They're real people -- friends and neighbors -- men and women with families to feed, mortgages to pay. //

Now, if that 2 or 3 still doesn't sound like much -- keep this in mind. In North Carolina alone, 25% of all workers -- 638,000 people -- work in companies the same size as the one in

my example, companies that will be crippled by Bill Clinton's new taxes. Across this state, North Carolina has thousands of businesses with less than 10 employees. More than 3000 grocery stores. More than 2500 small furniture stores. 4 out of every 5 companies in the building trades. Book stores and beauty shops / laundries and video stores and TV repair shops: The list goes on and on. For them, Bill Clinton's tax plan means one thing: Misery on Main Street. //

America is a nation of small businesses -- and those small businesses will take a big hit under Bill Clinton's tax plan. My opponent couldn't do more damage to America's entrepreneurs if he'd declared war on small businesses. / Well, if you're like me, you've got to say: Small business shouldn't be big-government's piggy bank. //

Take a look for a moment my approach -- and the contrast with Bill Clinton. / I want to strengthen small businesses across America by lowering taxes -- increasing R&D.

Bill Clinton wants to tax small businesses and small business owners so he can give big government a raise.

I want to cut red tape, eliminate excessive regulation and reform the ruinous legal system that's crippling this economy and killing small businesses. / Bill Clinton wants to saddle small business with new mandates, and he's told the trial lawyers of America he wouldn't take away even one little loophole.

How about health care / job training / family leave?

I want to reform our health care system -- extend coverage to all Americans, use the market to drive costs down while keeping quality up. / Bill Clinton wants a payroll tax to finance the government takeover of health care.

I want to give displaced workers a voucher to buy the training they want. Bill Clinton? He wants to put a payroll tax on workers.

I want to use tax credits to encourage businesses to provide workers family leave. My opponent? Well ... you see the pattern ... more government rules and red tape.

Bill Clinton's got a "Punt, pass and kick" plan: // Punt the problem over to business. Pass the costs along. And kick the American worker -- right where he carries his wallet. //

You've got a choice in this election. A choice between two different philosophies -- two different directions to take this country. Bill Clinton puts his faith in the so-called "best and brightest:" In his old Oxford cronies who believe "government knows best" -- just like the social welfare crowd that pulled Britain down before Maggie Thatcher pumped some life back in.

Well, I put my faith in the American people -- I want to see you keep control of the decisions that really matter in life. And when Bill Clinton says "government knows best" -- I say: You know better. //

Let me sum it up this way: Bill Clinton is wrong for America. And you know I'm right. //

Here's what Bill Clinton and the "government first" crowd just don't understand: Government can print money -- but it can't create wealth. The great ideas that make this economy grow don't begin in the marbled halls of some federal building back in Washington. More great ideas -- more of our GDP -- begins at a basement workbench, at the computer on your kitchen table, with the savings you set aside to start a business of your own. //

America is the envy of the world: not because its government is great -- but because its people are great. Because the American people are builders who dream, and dreamers who build.

We need a government that understands that fundamental fact. My program -- my Agenda for American Renewal -- will make the next American Century a new American Century, a time of peace and prosperity for all. //

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

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Office of the Press Secretary  
(Greensboro, North Carolina)

For Immediate Release

September 23, 1992

REMARKS BY THE PRESIDENT  
TO TRIAD BUSINESS COMMUNITY

Joseph S. Koury Convention Center  
Greensboro, North Carolina

9:50 A.M. EDT

THE PRESIDENT: Thank you, Tom. Thank you very, very much, and what a wonderful welcome back to this state. Thank you all, please be seated. It's an honor to be introduced by a successful, honored, small businessman, Tom Coble. Thank you, sir, for those kind words. I also want to salute the woman who's done so much to advance the interests of American small businesses, our Administrator of the Small Business Administration, Pat Saiki, former member of Congress and now of our SBA in Washington. (Applause.) And also to, of course, to salute the inimitable, marvelous Governor of this state, Jim Martin. What a job he's done for the country and for North Carolina. (Applause.) And salute, too, congressional candidates Barbara Gore Washington of the 12th District and Richard Burr of the 5th District. I'm glad to be with them. (Applause.)

And with us are our two national leaders of our Independent Business Coalition, Pat Harrison and Miller Hicks -- both here with us today -- here's Miller over here; and where's Pat? Whoops, she didn't make the head table -- sitting out here. (Laughter.) She should have; she's an outstanding business success.

Pat, stand up. And, Miller you've got to stand up and let them see you. (Applause.) These people are pulling together this national small business coalition -- Independent Business Coalition, we call it.

Well, I've come here to Greensboro to talk about small business -- and, really, to drive home for the nation the fact that businesses, like the ones that come together in the Triad business community, generate the hope and pride and the jobs that hold America together.

Take Joe Koury -- a well-respected member of the Triad, and the father of four beautiful daughters. Now, Joseph wasn't always the one-man conglomerate that we see today. He started small: began building his empire in the early years after World War II, buying up the old Army barracks here in Greensboro and turning them into housing -- sometimes for the same GIs who'd trained there before going off to war, now come home to start a family. And that ingenuity -- that spirit of enterprise -- that drive and dream tells us the meaning of opportunity, the meaning in America. And it's all over this great -- I don't want to start singling people out, but my friend, Jack Laughery is another one right here from this state who exemplifies the American Dream -- starting, taking risk, building. And it's a wonderful thing, and it's a wonderful epitome of the spirit of this state, in my view.

Now today, America's economy is working its way through a period of profound change. And, incidentally, it's not just America, it's international change. You saw the recent ups and downs in the international currency market. Other countries even now look

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to our economy as the envy of the world. And you see it here in North Carolina, these changes, just the way you do all across the country. Many of our larger companies have retrenched and, indeed, they've restructured -- and I know that these changes have been difficult for many working Americans. But America's small businesses have shown a staying power -- creating new products by the thousands -- new jobs literally by the millions.

Let me give you one statistic that will drive home just what I mean. In the 1980s, the numbers of workers employed by Fortune 500 companies actually went down. But in that same decade, small businesses boomed -- adding 16 million new jobs.

The simple fact is, small businesses are often the first to adapt to a changing world -- the first to turn change to advantage -- the force at the leading edge of economic recovery. And that's why it is absolutely critical that we do all we can to strengthen small businesses -- remove obstacles that stand in their way, and create incentives that unleash America's entrepreneurial genius. Helping small business reach for its dreams is key to my Agenda for America Renewal.

I've set a goal -- to make America the first -- the world's first \$10-trillion economy in the early years of the 21st Century. And when we get to that goal -- not if, but when -- and it is very achievable -- look at the numbers -- it won't be the chairmen of the Fortune 500 we have to thank -- it will be the men and women who run the small businesses that power America -- (applause) -- the men and women, for example, of the Triad business community.

Right now, small businesses employ over half of our nation's workforce. Small businesses create two-thirds of the new jobs in America. Small businesses are hothouses for innovation, and risk-taking, new ideas -- the very engine of entrepreneurial capitalism that pulls this economy forward.

And I know because I've been there myself. I did, as Mr. Coble said, run a small business -- started it from the ground up, with a lot of help, obviously, from coworkers and partners. And I know what it's like to sweat out a deal, and shop for credit, stay up late worrying how you're going to meet the next payroll. And I've even got the ulcers, or had them back then, to prove it. And that is a fact.

So let me tell you: I happen to think that meeting a payroll is not a bad qualification for being President of the United States of America. (Applause.)

And I might peripherally make the point that the contrast with my opponent couldn't be clearer. He's spent almost his entire adult life in government. And when he wasn't in government, he practiced law and taught law school. And he even worked in the Congress -- for his part-time job. Not exactly the credentials we're looking for these days. (Laughter.)

So it shouldn't surprise you that when it comes to the economy, my opponent thinks government should lead -- all I ask you to do is compare the plans -- directed by bureaucratic planners who couldn't run a business anywhere but into the ground.

Now I believe government can play a role in helping small business; no question. But it is a role of support -- not the lead. Not to put the new bureaucracy of government planners in the business of picking winners and losers -- but to help America do what it does best: to make way for the American entrepreneur, the little guy with the big idea. (Applause.)

So I've put together a program to strengthen small business -- a program that will work, because it understands how

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small businesses work. This is one important part of my comprehensive Agenda for America Renewal.

I'm releasing the full program today in a report I call "Encouraging Entrepreneurial Capitalism." Now, here is the report, and I hope we can make some, at least, available to people here today. But we can get them to you. That's a fancy name for small business savvy America is known for. Some of the ideas are ones that we've been pushing for, for years -- some are new: All of them are solid, sensible ways to strengthen small business.

Now, let me detail -- and some of this is quite detailed -- what my program does:

First, it will help small businesses get started. You see, many new businesses literally begin at home -- when entrepreneurs convert their own "nest egg" into capital. Germany does not tax capital gains at America's punitive rates -- neither does Japan. One of them, I believe, is zero percent; and the other, I believe, is Japan, is on percent. If we want to compete and win, it's time to reward the risk-takers who turn their dreams into tomorrow's jobs. It is time to cut the tax on capital gains. (Applause.)

The liberals continue to insist that that's a break for the rich. It isn't. It is clearly an incentive to start new companies and employ more people. (Applause.) And because you've got to crawl before you can walk, we're also helping small businesses with an aggressive micro-loan program -- from a few hundred dollars up to \$25,000 at the critical early stages when new ventures are, I think we would agree, that at that stage, new businesses are most vulnerable.

That's how we'll help entrepreneurs get their ideas off the ground, get their businesses up and running.

But today, I want to take our efforts one step further. I am proposing a five-year, \$20-billion small-business initiative -- to lift tax and regulatory burdens off the back of small business, and to cut the costs of capital.

We start by knocking down the corporate tax rate on small businesses from 15 to 10 percent. (Applause.) And this new initiative will smooth the way for small business start-ups -- by increasing the small business deduction limit from \$10,000 to \$25,000. And it will allow entrepreneurs to deduct \$2,500 of those start-up costs that most of you remember in the very first year.

My initiative includes steps to simplify tax laws for small businesses -- (applause) -- changes that will result in almost \$5 billion a year in tax relief -- and should allow most small businesses to file a one- or two-page tax return. And finally, it eliminates capital gains on newly-issued small business stock. That will serve as an incentive to create new businesses.

Part three of this small business program is to help existing small businesses find credit. The best idea in the world cannot work without capital. Entrepreneurs simply can't do it alone. They need credit to set up shop and to expand.

Right now, you and I know that the credit crunch has hit small businesses hard. That's why we've been working with bankers and regulators across the country to free up the flow of credit to companies like yours. Our regulatory reform, for example, by the SEC, has made it easier for small businesses to raise capital through stock, through these offerings of stock -- and to help growing firms get from Main Street to Wall Street.

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And I've had the Small Business Administration -- I have Pat Saiki here working overtime to help credit-starved businesses. This year alone, we have increased by more than 50 percent the loan guarantees offered by her agency, the SBA -- more than \$6 billion for men and women with good ideas -- who want to turn those dreams into jobs.

Small business is one of the most effective ways to bring minority Americans into the economic mainstream. That's why later today, Pat Saiki will release our plan to streamline the SBA's Minority Small Business program to bring economic opportunity to entrepreneurs all across America.

And tomorrow, Pat's going to go on to South Florida, to kick off what we call the Green Line program -- a program that we test-marketed up in New England -- to provide a revolving line of credit to help small businesses bridge the gap between production and payment. This Green Line initiative, incidentally, should be especially helpful to small firms that are seeking to get back to "business as usual" after Hurricane Andrew.

Now, fourth, we have got to help small businesses hire new workers and increase productivity. Small businesses -- like every employer in America -- will benefit from education reforms like America 2000, our program from our expanded job training initiatives, from enterprise zones, from legal reform that ends those sky's-the-limit lawsuits that can drive a small business into bankruptcy. We've got to do something about these crazy lawsuits. Even all of that, though, is not enough.

That's why I support aggressive new export promotion programs to help small businesses crack new markets abroad, and create new jobs here at home. You see, in the 21st century, America must be not just a military superpower, but an economic superpower and an export superpower. And for a long time, it was felt that small businesses were too little to sell abroad and compete abroad. That's changed. And we want to facilitate more sales from small business into this vast export market that lies ahead. (Applause.)

Right now, a fraction of America's companies -- 15 percent -- account for 85 percent of America's exports. We've got to open these new markets for America's small businesses -- we've got to tap their explosive potential to make new customers not just down the street, but around the world.

Small business is already helping us pioneer new worlds -- leading the way, for example, in the bio-tech, the bio-technology revolution. That's one key reason that I strongly support a 100% increase in federal research and development funds to help small businesses generate the technologies of tomorrow.

And fifth, we've got to free small businesses from the tangle of red tape and regulation. (Applause.) Vice President Quayle has filled me in on a meeting that he had not long ago with Richard Allen, who runs a furniture manufacturing company over in High Point. Federal reporting rules have gotten so bad that he's had to hire new staff just to read regulations. Now, frankly, that's one kind of job creation we could do without. Filling out federal forms should not be a full-time job.

That's why, in January of this year, I ordered a freeze on federal regulations. You work long and hard for your success, and you should spend your time doing business -- not doing paperwork. (Applause.) And finally, we've got to help small businesses provide for their workers, to help the 15 million Americans who are self-employed. So I want to raise the deduction for health insurance from 25 percent to 100 percent. And I want to reform health insurance -- give small companies the same advantage that bigger companies have

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when they shop for health care coverage, by encouraging small companies to pool together to buy insurance.

We want to create tax incentives to help small businesses offer their employees family leave -- not do what the liberal Congress wants me to do -- slap another mandate on small businesses' back. I'm not going to do that. (Applause.)

I believe in family leave, and I believe our approach to facilitating family leave through tax credits is a far better way than putting new mandates on a guy who is struggling to make ends meet and would have to lay off people to meet the costs of that program. We want to expand small businesses' ability to offer the portable pensions people will need in a dynamic economy.

Taken together, that's a strong package -- a comprehensive package -- to give real-world help, right now, to the small businesses that make this economy grow. You'll notice a lot of it, through tax relief, is removing the burden of government from the back of small business.

Now, I think it's fair to say, and ask dispassionately: What about my opponent? What is his plan for small business? The difference could not be sharper. You see, I see small business as the backbone of the American economy. Mr. Clinton, Governor Clinton sees small business as the goose that lays the Golden Eggs.

Bill Clinton's got big plans for bigger government -- and to pay for it, he's got the tax plan for almost every day of the week: Start with \$150 billion in new taxes. That's not my saying he's doing it; this is what he actually has proposed. And then add a payroll tax for training -- he's already proposed that -- one-and-a-half percent across the board for small businesses -- every business -- and then add a health care plan that will lead to a 7 percent payroll tax to finance the inevitable government takeover of health care.

And I tell you, it's taxing just to talk about this whole program ahead. (Applause.) Somebody said, that taxes my memory. And Clinton says, that's a good idea, let's try it. (Laughter and applause.) Now, I guess -- and yesterday -- nobody believes this, but I did make a subconscious slip. I spoke up when I was going on about the different plans, and I called him "Governor Taxes." And I quickly corrected it.

But now, "Governor Taxes" says, yes, he wants to raise taxes -- and rolls out his standard "soak the rich" rhetoric. You listen to him. But what he won't tell you is this: two out of every three people hit by Governor Clinton's tax hike would be small business owners or family farmers. And these folks are not millionaires -- they are Mom and Pop, Inc., and we cannot let them slap a tax on small business. (Applause.)

Take a look at what Governor Clinton's tax plan would mean for small businesses right here in this state. If you're like the typical small business, you operate with a profit margin of about 2 percent. Some clearly do better; some are struggling to make it 2 percent. Your market is too competitive for you to pass on costs by raising prices. That can happen in large companies that dominate the market. You can't do it as a small businessman. You already feel that you've already cut your costs, your operating costs, to the very bone.

And so when Bill Clinton's new taxes kick in, you have a choice -- a tough choice. His payroll taxes alone amount to 4 percent to 5 percent of your operating expenses. That's your profit margin -- and then some.

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So here's your choice: You can board up the windows -- or you can get out the pink slips. You can continue to operate, but to do so you're going to have to lay off some on your rather small workforce.

Now, I want to invite Governor Clinton and his advisors to follow along for a little "business math." Just over half of all small businesses with between 10 and 20 employees have annual sales of \$500,000 to \$1 million. That's a 2 percent profit margin -- and in the best case -- gives that business a -- say, a \$20,000 profit.

Now, Governor Clinton's new taxes would cost that company between \$46,000 and \$56,000 -- so after you've handed over your profit to the government, the only way to pay the rest of the tax is putting someone out of work, cutting down on your overall payroll account.

And in the case of my example, that's two or three employees -- two or three people out of less than a 20-person company who lose their jobs.

Now, just think about that. Those two or three people aren't just numbers -- they're not some names on a payroll sheet. They're real people -- they're friends and neighbors -- men and women with families to feed and mortgages to pay.

Now, if that two or three still doesn't sound like much, keep this one in mind. In North Carolina alone, 25 percent of the workers -- of all workers -- 638,000 people -- work in companies the same size as the one in my example, companies that will be crippled by Bill Clinton's new taxes.

Across this state, North Carolina has thousands of businesses with less than 10 employees. Grocery stores -- more than 3,000. More than 2,500 small furniture stores. Four out of every five companies in the building trades. Book stores, beauty shops, laundries, video stores and TV repair shops. And the list goes on and on and on. And for them, Bill Clinton's tax plan means one thing: Misery on Main Street. (Applause.)

You see, I don't think these central planners understand this. America is a nation of small businesses -- and to those small businesses, they'll take a big hit under Governor Clinton's tax plan. And my opponent could not do more damage to America's risk-takers, entrepreneurs, if he'd declared war on small businesses. Well, if you're like me, you've got to say: Small business should not be big-government's piggy bank. (Applause.)

All I ask is that you people here and the people across the country take a look for a moment at my approach -- and then contrast that with Governor Clinton's. You see, I want to strengthen small businesses across America by lowering taxes -- increasing R&D.

Bill Clinton wants to tax small businesses and small business owners so he can give big government a raise.

I want to cut red tape, eliminate excessive regulation and reform the ruinous legal system that's crippling this economy and killing small businesses. (Applause.) We really must get these suits under control. We are suing each other too much and caring for each other too little in this country. (Applause.) Now, Bill Clinton wants to saddle these -- or, his plan would saddle these new small businesses with new mandates; the old ones, too, the existing ones. New or old, small businesses, all with new mandates. And he's told the trial lawyers of America he wouldn't take away even one little loophole.

How about health care? Job training? Family leave?

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I want to reform our health care system -- extend coverage to all Americans, and use the markets to drive costs down while keeping quality -- the great quality of American health care up. And as I said before, Bill Clinton's plan will mean a payroll tax and more government control.

I want to give displaced workers a voucher to get the training they want. And Bill Clinton wants to put a payroll tax on employers.

I want to use tax credits to encourage businesses to provide workers family leave. Well, my opponent? You see the pattern -- more government rules, more government red tape.

You know, they sent this family leave bill down to me the other day. They sent it down just for fine timing in terms of politics. And I vetoed it, and I sent it right back. I am for family leave, but I am not for putting further mandates on small business. Let's do it through tax relief, not through running people out of business. (Applause.)

Bill Clinton's got a "Punt, pass and kick" plan: Punt the problem over to business. Pass the costs along. And kick the American worker -- right where he carries his wallet. (Applause.)

Now, you've got a choice in this election. A choice between two different philosophies -- two different directions to take this great country. Bill Clinton puts his faith in the so-called "best and brightest:" In his old Oxford cronies who believes that "government knows best" -- just like the social welfare crowd that pulled Britain down before Maggie Thatcher and John Major pumped some life back in.

Well, I put my faith in the American people -- and I want to see you keep control of the decisions that really matter in life. And when Bill Clinton says "government knows best" -- I say: You know better.

Let me sum it up this way: His plan is wrong for America. And mine is right. (Applause.)

Here's what Bill Clinton and the "government first" crowd just really don't get. They don't get it. They don't understand: Government can print money -- but it simply cannot create wealth. The great ideas that make this economy grow don't begin in the marbled halls of some federal building back in Washington, D.C. More great ideas -- more of our gross domestic product, our GDP -- begins at a basement workbench, at a computer on someone's kitchen table, with the savings you set aside to start a business of your own.

And, America -- don't let them teach the American people, particularly the young, that America is a nation in decline. We are simply not. We are the most respected leader in the world -- militarily, and economically. (Applause.) And in spite of the economic difficulties we've had and are enduring, America -- believe me -- is the envy of the world: not because its government is great -- but because its people are great. Because the American people are builders and dreamers who build.

We need a government that understands that fundamental fact. And my program -- my Agenda for American Renewal -- will make the next American Century a new American Century, a time of peace and prosperity for all.

Thank you once again for this warm North Carolina welcome -- and may God bless the United States of America. Thank you very much. (Applause.)