

Special Assistant to the President for Public Liaison. Prior to this she was coalitions and organization director at the National Republican Congressional Committee and legislative director for Phyllis Schlafly's Eagle Forum in Washington, DC. In 1987, Ms. Metzger also served as the Director of the Pornography Commission Report Project, an effort designed to highlight the release of the Attorney General's Commission re-

port. Ms. Metzger has worked on Capitol Hill for then-freshman Congressman Patrick L. Swindall. In addition, she was the Atlanta office manager for the Georgia Reagan-Bush '84 campaign.

Ms. Metzger is a graduate of Samford University in Birmingham, AL, receiving a bachelor of arts degree in 1984. She was born in Decatur, GA, and currently resides in Alexandria, VA.

Remarks to the Small Business Legislative Council

February 5, 1992

Thank you all very much. And Phil, thank you for the welcome, the kind introduction. Bob Banister, congratulations on being named chairman-elect of the SBLC. John Satagaj, thanks for your hard work in putting this wonderfully successful meeting together. And greetings, also, to Ted Olsen and John Kemp, who has done wonderful work in helping small business implement the ADA, the Americans with Disabilities Act. It was great a minute ago—I don't see him this second—to see my friend, Josh Smith, the Chairman, sitting over here, of the President's Council on Minority Business, a successful businessman himself.

Today, what I wanted to do is to follow up on some of the things that I discussed in the State of the Union Address. I really do enjoy going up to the Hill to deliver the State of the Union. It's the only time all year that you can get so many politicians so polite and understanding for so long. [Laughter] It's a wonderful feeling.

As you know, we've had a hectic week, from the State of the Union Address to releasing the budget to meeting with Boris Yeltsin. During this Presidency, I think it's fair to point out that the cold war has drawn to an end. We led the coalition that shoved Saddam Hussein out of Kuwait. Peace talks between ancient enemies have begun in the Middle East. The Soviet Union has collapsed, and we've begun working with its successor States. The whole world has changed. And still, some people say, "Hey, is that all? What have you done for us lately?" [Laughter] I'd say, no, but it's a good

start, and we recognize that we've got many other things to be working on, as I've been trying to do.

And now that we can look past the burdens of the cold war, we can do what we do best: create, innovate, build, produce, and lead. This afternoon, I'm going to be signing the Economic Report to the President. And it will not only describe and explain the causes of our current economic difficulties, it will also explain why virtually all economic analysts expect this economy to improve. More importantly, it will explain why if Congress enacts my progrowth policies, the improvement in the economy will be quicker, stronger, and much more certain.

In the State of the Union, I presented a comprehensive action plan for our economy. Today I want to discuss what that means for you. Think of this as my "small business State of the Union." My plan starts with what I can do as President without any congressional action required. We've taken a whole series of actions—I won't mention them all—but a series of actions to stimulate investment and get the economy moving. These, as I say, don't need congressional approval.

A couple of initiatives have earned kudos from this crowd. First, I have ordered major Departments and Agencies to put a 90-day hold on implementing new regulations. Regulations ought to foster economic growth, not crush it. And we're going to make sure that the days of overregulation

are over once and for all. So, we're going to take a fresh look at the rules and regulations Washington hurls your way. We'll get rid of those that do nothing more than destroy jobs and weigh down businesses. And in this, we will pick some that will speed up and foster growth and support jobs. We're going to emphasize those regulations.

But that's not all. We also declared war on nuisance lawsuits. Yesterday I announced the "Access to Justice Act of 1992." That bill will give Americans less expensive and easier alternatives to trial. Let them solve problems out of court. And we've got to stop America's long liaison with the lawsuit. If we were as good at rewarding success as we are at suing each other, this country would be a lot better off. And that goes for health care, too. With those outrageous, sky-high malpractice awards, we've got to get those under control, and we are going to try hard.

And now the American people know better than to think that anyone, including a President, can wave a magic wand and revive something as complicated as our economy. Congress needs to do its job. And that means—and we were talking with your leaders about this earlier—that they should pass the short-term compact economic growth package that I put before the Congress, and pass it by March 20th.

You know, we're all realistic that we're going into a political year. And I'm fairly realistic that we're going into a political year—[laughter]—but I would simply point out that we have time now. There's a period of time that we can lower that political controversy and get something done, a rifleshot approach to stimulate this economy. And that's where I'm going to need your help. So here we go.

The plan starts with the basics. It stimulates investment by improving the alternative minimum tax and creating a new 15-percent investment tax allowance. L.W. Locke of North Carolina, and I'm told he's in the audience today, understands. He appreciates these changes. He's delayed building a convenience store/gasoline station because he just can't do it under our present system. The investment tax allowance would let him buy fixtures and gas pumps and fuel storage tanks, a \$1 million commitment. So

don't tell me—here's a practical example—don't tell me, or don't listen to the voices that say this plan is a gimmick. And don't try to tell that to L.W., either, because he's right out there trying to move forward with investment.

I also want to fire up the engine that traditionally pulls us out of tough times, and that's the real estate industry. My plan helps builders. Ask Jay Buchert, a Cincinnati homebuilder, also here with us today. He's thrown his support behind this plan. The National Association of Home Builders predicts that my bill will create at least 415,000 construction industry jobs and set off \$20 billion in economic activity associated with homebuilding. Now, that's no gimmick. That is no gimmick. That means jobs, good, solid American jobs.

And I also want to reward everyone who believes in the American dream, trying to make it work. I want Congress to cut the long-term tax on capital gains. And I want it cut to a maximum rate of 15.4 percent. The world's fastest growing economies and our major competitors, including Germany and Japan, have one thing in common: They tax capital gains at much lower rates than we do. And in many cases, capital gains isn't taxed at all.

It's ironic. Many politicians who oppose the capital gains tax cut also complain that we're not competitive. Well, they can't have it both ways. And if they really want us to be competitive, then they'll slash the capital gains rate and do it now in this comprehensive short-term package. The capital gains rate cut will help families who own homes, help people who own farms, help business owners, and will help everyone who invests in our future by purchasing stock.

Now, you've heard some people claim that a capital gains cut serves only the rich. Well, maybe those people should get out of Washington and talk to people around our country. Retirees say they can't sell their homes because capital gains rates punish them too much. Business owners say they can't expand their businesses; capital gains rates punish their success. A man from Florida, a retiree who built his own business, invested, saved, put it perfectly: He worked

hard for years, and now he can't afford to cash in on his success. He said, "We are being penalized for having foresight." Well, I'm tired of people getting slammed because they risked their money and effort and succeeded. And it's about time the Congress realizes we should reward these people, not turn them into targets of envy. And that, of course, creates jobs. More people that take risks and start businesses; that means jobs.

So, let's get to the heart of this thing. The people in this room, small businessmen, investors from the National Venture Capital Association, you understand the gritty fundamentals of business. And you are the real experts. Well, America really needs your help now. So, don't accept no for an answer anymore. I'll take the heat on whether it's a tax cut for the rich or not, but you make the case as to what it can do to stimulate jobs and new businesses in this country and demand that the Congress cut the capital gains rate now.

And I might remind you when you do this work, remember that there were majorities in both Houses of Congress for what I'm proposing right now not so many months ago. The field is there for fertile reaping. And I tell you, I really hope that you can get up and help us do this job.

I'd also like to ask you that you demand action on my short-term plan without delay. You know, when I hear someone complain that this short-term plan won't do much, I wonder myself: Hadn't any of these guys ever run a business? Do they appreciate the difficulties of getting a loan, finding an investor, purchasing what you need, filling out all that Government paperwork? It's about time somebody understands that you need just a few minutes to concentrate on the customer. That's what some of this is going to do.

You may have detected this, but I'm tired of the term "fairness" being corrupted by political demagogues. You want fairness? Here's something fair: My plan will work for all Americans, and it will create jobs. How's that for fairness?

Congress has the legislation. It has a March deadline, March 20th deadline. And I ask you to circle the date on the calendar. Much beyond that, politics takes over.

We've got a chance now to get something done. So while you're in Washington, visit those congressional delegations. Let them know that you want this package passed. You are at the center of this plan, and you create, small business, you create the vast majority of jobs in this country. And I am determined to support you to create more jobs. I believe it is in your power to help lift this country and help get it moving again. I really am confident that you will do just that. Since Members of Congress will be home on break next week, drop by their offices, let them know how you feel. Send this message: No more delays, no excuses, no substitutes. And don't delay. Decision day is 6 weeks from Friday.

I didn't mention all the ingredients, but that's the rifleshot, short-term, incentive-building, job-creating part of this package. Now, for the longer term, I've also proposed an ambitious long-term agenda to ensure that our economy will continue leading the world for decades to come.

And let me discuss a critical issue in that plan, health care. I know health care has become a problem for many of you and your employees. And tomorrow I'm going to be announcing in detail my comprehensive health care plan. And I know you'll like it. I believe you'll like it a lot. People today worry about health care, yes. It costs too much, great concern. It's tough to find good comprehensive coverage. And you can't make choices like you used to. And you can't count on coverage if you move and change jobs or fall victim to a debilitating condition or disease.

I believe our plan solves these problems. And my plan ensures that people can find health care, choose health care, afford health care, and keep health care. I know that everyone with a plan promises the same thing, and that's why you have to use your common sense in evaluating the various proposals. And when you get right down to it, there are two fundamental health care choices. We can adopt a system that's been a proven failure all over the world, nationalized health care. Or we can reform our present system, which has its faults, certainly, but which also provides the highest quality care on Earth. People come

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from all over the world to participate in our health care. And if you want the freedom to choose your own doctor, to hold the line on costs, and to improve access to health insurance coverage, push for my plan. Look it over carefully. We're going to need your support. It gives everyone, and I emphasize everyone, access to the world's best health care, and it doesn't exclude anybody. So, take a look at this and support us if you can.

And finally, I'd like your help on one other item. The Federal Government is too big, and it spends too much. And it's just that simple. Now, my budget holds the line on new spending. It does not violate the only protection the taxpayer has, that's the spending caps that are now in the law. These caps are the only protection the taxpayer has against more spending by Congress. And it pulls the trapdoor on a host of federally funded programs, all with noble titles—246 programs to be exact—that we simply do not need. And you shouldn't have to pay for them. And it's that simple. Each one has a protector, but I think the time has come, and the times demand that we take action on these.

And also, get Congress to give me an important weapon to control spending. This one may be a little difficult, but get them to give me that line-item veto and give me a shot at it. Forty-three Governors have it; give the President a shot.

We must stop imposing mandates on others without paying for those mandates. Too often mandates, these mandated benefits dictated out of some subcommittee, mean mandated deficits. And that just isn't right. It's not fair to the States. It's not fair to the localities and the communities. And it's got to stop.

The bottom line is we've got a lot of work to do. And we can't let anyone stall us this time. Americans can't wait to get this economy moving. We want to throw off cynicism and fear. We want to shake away the gloom and the doubt. And I am, frankly, very tired of the professional pessimists who don't have any fresh ideas for the future and who literally feast on bad times and hard feelings and who talk as if our best days have passed by. They just don't understand.

Wouldn't you hate to go through life thinking, "The only way I can get a step up the ladder is if somebody else is hurting"? They just ought to get out of the way, these gloom-sayers and these pessimists. We can start a new economic revolution in America, one that builds on our innate optimism, our ambition, our determination, our willing to take risks, and our pride. And we're going to do just that. And that revolution will start a lot sooner if 535 people in Washington meet by March 20th deadline that I've proposed up there.

So let them know in no uncertain terms: Business as usual won't get this job done; election year politics as usual won't do. Tell them we need action by March 20th. And with your help, I believe we can get it.

Thank you all very, very much. And may God bless the United States.

Note: The President spoke at 10:38 a.m. at the J.W. Marriott Hotel. In his remarks, he referred to SBLC officers Phil Chisholm, chairman, John Satagaj, president, and Ted Olsen, treasurer; John Kemp, executive vice president of the United Cerebral Palsy Association; L.W. Locke of Eastern Petroleum Corp., in Enfield, NC; and Robert Buchert of American Heritage Construction and Development Corp., Cincinnati, OH.

Letter to Congressional Leaders on Beneficiary Trade Status for Estonia, Latvia, and Lithuania

February 5, 1992

Dear Mr. Speaker: (Dear Mr. President:)

I am writing to inform you of my intent to add Estonia, Latvia, and Lithuania to the

list of beneficiary developing countries under the Generalized System of Preferences (GSP). The GSP program offers duty-