

The President. No. When I ran with the Boston Marathon runners, we ran a 5k, and this is allergy time for me so I have to start out slow. We ran the first mile in 9 minutes, the second mile in 8 minutes, and the third mile in 7 minutes.

Mr. Imus. Man, that's a lot faster than I do it.

The President. When I run here in town, I average probably about an 8.5 minute mile. But I can run it faster. On Valentine's Day the Vice

President and I did 2.5 miles in a Heart Association run at about 7.5 minutes a mile.

Mr. Imus. That's terrific. Mr. President, thank you very much. Thanks for coming on, and good luck.

The President. Thanks. Talk to you again, I hope.

NOTE: The telephone interview began at 7:38 a.m. The President spoke from the Oval Office at the White House.

Remarks on the Swearing-In of Small Business Administrator Erskine Bowles and Presentation of the Small Business Person of the Year Award May 12, 1993

Please sit down, ladies and gentlemen. Good morning. It's great to see all of you here in the Rose Garden. I want to thank the Members of Congress who have joined us for this ceremony, and welcome all of you small business people and your families from all across America here to the White House for this important day.

This is an extra special day to celebrate the winners of the small business people of the year awards, because today we're also going to have the oath of office for the new Administrator of the Small Business Administration, Erskine Bowles. I chose Erskine for a very simple reason, because he's a business person and not a politician.

Too often in the past, the SBA has been the province of politics too much and business too little. This man has devoted his life to helping people start businesses, to helping them grow their businesses, to helping them reach out beyond the borders of their communities, to State and regional and national and international markets. He really understands what it's like to start and to keep going a business enterprise. His plans for the Agency include a plan to improve the management and outreach to determine what we can do to actually create more success stories in the small business community.

He's already met, I know, with many of you who are here for this celebration. But that's just the beginning. I think you will see the most energetic, connected, and continuous effort to reach out to small business that the SBA has ever given to the American small business community.

Now, I'd like to introduce Erskine and Judge James Dixon Phillips, Jr., of the Court of Appeals of the 4th Circuit in Durham, North Carolina, who will administer the oath of office. Erskine's wife, Crandall Bowles, will hold the Bible, and then they will take it over from there. Judge?

[At this point, Judge Phillips administered the oath of office. Mr. Bowles then expressed his gratitude to the President and enumerated his priorities for SBA.]

Thank you very much. I predict that over the next 4 years, small business men and women in every State in America will come to see Erskine Bowles as the best advocate they ever had. And I assure you that he is going to have a real influence on our economic policy.

Some evidence of that is the presence here today of the two other Members of my Cabinet, Ron Brown, the Secretary of Commerce, and Mickey Kantor, our U.S. Trade Representative. We are going to have a coordinated policy for small business. We have to have the Commerce Department, we have to have the Trade Office, we have to have the Treasury Department if we're going to attack all these issues. And I'm very, very proud of the team that we've got working on it.

Let me just mention one or two other things about the small business economy. We have spent most of our time in the last 3 months or so in meetings in this White House talking about the economy and talking about health care

and its impact on the economy. Over and over and over, we come back to a central fact of the American economy in the last 12 years. In every year of the last 12 years, the biggest companies in America have reduced employment in this country, even as they were increasing productivity, even as their profits went up, even as their stock values went through the roof and Wall Street reached all-time highs, in every year.

Some of that is because of being involved in other countries in a global economy. A lot of it is just using the technology of new productivity to have machines do more work, or have people do more work, overtime, and more part-time workers. But the bottom line is, in every year employment has been reduced by the biggest businesses in this country.

In every year until about 3 years ago, the reduction in employment by big business was more than offset by the increase in employment by small businesses in America and by the start-up of new businesses. Then, about 3 years ago, that too came to a halt because of a national and international recession, because of the credit crunch, because of the burgeoning costs of health care on smaller businesses and all the extra additional costs of hiring one more worker, whether it's worker's comp or some other cost or the Social Security costs.

The extra added costs to small business of hiring additional workers meant that, over the last 2 or 3 years, small businesses, even when they were growing, have relied more and more on overtime, more and more on temporary workers, and less on adding to the job base of America. We have talked about this endlessly in these walls here, trying to come up with policies that would address that, trying to reward the spirit, the grit, the entrepreneurialism, the creativity of you and millions of Americans like you all over this country.

I have seen, I suppose, being a former Governor of a small State, as many small businesses up close as virtually anybody who ever occupied this office. I have more than a healthy respect for the fact that you now employ a majority of America's workers and create a huge majority of America's new jobs.

Just a couple of days ago, as I'm sure you all know, I went out to Ohio and to Illinois. And when I finished my speech in downtown Cleveland to the City Club, before we went out to the airport, I told my entourage with no planning that I wanted to go back to a small

business that I came across in the primary in Parma, which is a suburb of Cleveland, to visit a woman named Mary Poldruhi, who became a friend of mine in the election. She started a business called Parma's Pierogis. And she did it as a Polish American, and no bank would loan her any money. So she got a telephone book and called hundreds of people in the telephone book with Polish surnames until she found 80 people who agreed to put up \$3,000 apiece to start her business, which she runs with her family and a couple of friends and which has done very, very well indeed.

That is the sort of spirit and creativity that I'm sure—I see a lot of you nodding because you identify with that experience in your own lives. I was so impressed with this woman and her family that, literally, I was sitting there in Cleveland—we just decided to go back and see her and see how the business was doing and what could be done to try to stabilize this environment and make it better.

I want to talk about just two or three of the things we're trying to do. Erskine already mentioned the initiative that Secretary Bentsen organized to have the five major financial Departments of the Federal Government work on trying to simplify regulations and end the credit crunch. A lot of business people tell me that it takes a little time for the orders we issue in Washington to manifest themselves in the bank down the street. And if that's not happening, that is one of the things that Erskine Bowles is here to address. We are determined to change the environment which has led to so much withdrawing of capital when it ought to be out there plentiful now, given the economic conditions, for new loans for good prospects.

Secondly, in the proposal that the Congress is now considering to bring the deficit down, there is a sweeping new proposal to provide a huge capital gains cuts for new investments and new enterprises to try to start more small businesses, and I hope it will have your support. We've also asked for an extension of the 25 percent deduction of health care costs for the self-employed, which I think is very important.

Finally, we are in intense negotiations at this moment, as we speak, to guarantee that whatever comes out of the House Ways and Means Committee in the tax bill will include a substantial increase in incentives for small business people to reinvest in their own companies. So these are the kinds of things that I hope will help

us to generate more jobs and will support your efforts.

There is also a community development bank initiative and a big enterprise zone initiative that I think will help to spark more small businesses in distressed areas and rural communities and big cities. But over the long run, we also have to have a healthy financial climate in the country. And that means that we must pass a budget this year that takes a strong step to bring this deficit down.

Ever since the election was over when the then-Secretary-designate of the Treasury, Lloyd Bentsen, went on television and said we are going to have a tough deficit reduction plan and outlined some of the elements of it, interest rates have been going down in this country. Mortgage rates are at 20-year lows. The business journals say that if we could keep interest rates down this low for another few months, over \$100 billion will be released into this economy through refinancing of home mortgages and business loans and other things for new investment and new opportunities. Now, we know that someday interest rates will go up again, but we want it to happen when the economy starts to boom again. And we want the interest rates to stay down while we refinance and get as much new money as we can at low interest rates back into this economy.

A year ago, only 47 percent of the American people thought, for example, that the next generation of Americans would be able to afford a new home. Just a couple of weeks ago a bipartisan poll said 74 percent of the people now think that, because we're making a strong effort to bring the deficit down to hold the interest rates down. I wish there were easy and painless ways to do that, but it requires cuts and tax increases.

I'm going up to New York after I leave you today to announce at the Cooper Union that I am going to support, strongly, the proposition that we guarantee the American people two things: number one is, no tax increases without the spending cuts, and number two is, that tax increases will go to reduce the deficit, by creating a legally separate deficit reduction trust fund which will tell you where your money is going. I think that this will do as much as anything else we can do to make your lives healthier over the long run.

Let me finally make one last point. We didn't get into our economic difficulties overnight nor

at the hand of any particular party. There is enough blame to go around, and there will be enough credit to go around, if we work our way out of it. I want to reiterate what I have tried to say since the day I became President: I do not seek a Democratic or a Republican resolution of America's problems. I would like for us to define an American solution that goes beyond the paralyzing debates of the past. In spite of the fact that we've had a little of that here, there's also a lot of evidence that we are moving beyond it. We've passed a budget resolution in record time. The Congress passed the motor voter bill yesterday which had strong opposition, but it's a great thing, and the young people of this country are very excited because it will make it easier for them to vote.

In the last election we had more young people voting than any time in 20 years, and there was a sense that we could give our political system back to the people who are the true owners of it. So I think there is every reason to hope that we can still build a sense of possibility and hope and progress among people of good faith in both parties, and I want to encourage that. And it ought to be rooted in ideas and in action, because that's really the sort of thing that brought all of you here today.

I hardly ever have had what you would call a conventional political discussion with a small business person. You know, I mean, if I go in and I talk to somebody about, can you afford health care? What's your coverage? What are the options? What's the matter with the insurance coverage? How big is the pool you're in?—the words Democrat and Republican never come up. Somebody says they went down to the bank, and they couldn't get a loan, and here were the problems, and look at this stack of paper from the Small Business Administration I had to fill out. Nobody ever put a political context on it. And I hope that we can focus our attention here on our problems and ask openly what should be done about them in the same way that you and I would engage if we were just having a personal conversation in your place of business.

The triumphs of the people we honor here today it seems to me, are the triumphs of America. The idea that you've got a right to take a chance. You've got a right to fail so that you have the right to succeed. You're given the opportunity in a free-market economy to bring your ideas to bear and see if people respond.

I have been terribly impressed—I've read the life histories of a lot of the award winners that are here today, and not just the three that we come to recognize. And I wish I could say something about all of you who are represented. But as you know, the purpose of this ceremony is to recognize the second runner-up, the first runner-up, and the Small Business Person of the Year. I just want to say to all the rest of you, we honor your achievements, and we know that these people, in a fundamental and profound sense, are reflective of what all of you have done.

For David Parker, success has been what you might call an open-and-shut case. His Pelican Products of Torrance, California, began as a scuba supply manufacturer but now is best known as a maker of suitcases and containers that are so hardy they're used in the environmental safety industry. They've even survived on a trip to Mt. Everest, something I'm not sure I could do. Now, that is a real climb to success. I want to ask David to come up here and receive our congratulations as a second runner-up in the Small Business Person of the Year.

Carol Rae was hired as a consultant to the Magnum Diamond Corporation. But in no time, she was asked to run the company. Now, I can tell you, as somebody who has fooled with a lot of consultants, that in itself is an incredible compliment. As president of the business, she's made it a leader in surgical tools for eye surgery. The Rapid City, South Dakota company has grown from 7 employees to 68 in about 4 years. That's a very impressive achievement for Carol

Rae, our first runner-up. Would you please come forward and be recognized?

Did you hear what she said? "I'm one of his customers." [Laughter]

Bill Engler, Jr., is the CEO of Kaytee Products, and that makes him the biggest employer in Chilton, Wisconsin. Kaytee is a case study of making change your friend and not your enemy. The business has been in his family since 1866 when it sold feed and grain, something I know a little about. [Laughter] But it wasn't until Bill took over 9 years ago that the business began a growth explosion. Kaytee now sells only wild bird and pet food, and it's gone from 64 employees to 365 workers. Sales went up from \$10.6 million to more than \$70 million. And for his amazing accomplishments, Bill Engler, Jr., has been chosen the Small Business Person of the Year. Let's bring him up with a hand. [Applause]

[At this point, the President presented Mr. Engler with the award.]

I want to salute you all. I want to wish you continued success. I want to pledge you continued access to this administration. I want to ask you now as you leave here to give us the benefit of your ideas, your suggestions, your constructive criticisms and help us to bring to the White House the kind of entrepreneurial spirit that you have brought to your businesses and that we must all bring to the United States.

Thank you very much.

NOTE: The President spoke at 11:02 a.m. in the Rose Garden at the White House.

Exchange With Reporters Following the Small Business Person Award Ceremony

May 12, 1993

Bosnia

Q. Mr. President, have you changed your views on the arms embargo at all?

The President. No.

Q. Does the fighting—

The President. I haven't changed my views. I just don't know if I've changed anybody else's, but I haven't changed my views.

Associate Attorney General Nominee

Q. Do you still back Webb Hubbell's nomination?

The President. Of course. Why wouldn't I?

Q. What about the Republican calls for him to resign?

The President. A little inconsistency in their position. Look how they voted on a lot of other people.

Q. Such as who?