

Remarks at the Summit on Women Entrepreneurship in the 21st Century March 19, 2002

Thank you all very much. Thank you for coming. Thank you very much. Gosh, thanks for the warm welcome. Elaine, thanks for your kind words. I'm proud of the job you're doing in my Cabinet. I appreciate your advice and counsel, I and appreciate the leadership you've shown at the U.S. Department of Labor.

I want to thank those who organized this summit. I think it's a very important summit. I think it's important to advance the spirit of entrepreneurship and equality and opportunity for everybody who is fortunate enough to be an American. I'm honored to be with you, and I'm glad you invited me, because I believe small businesses are really important to the future of our country.

I know small businesses are the path to success for many Americans, especially women, the newly arrived, minority Americans. Small businesses create jobs, and this is incredibly important for our economy at this time. Small businesses embody the American values of hard work, risktaking, and independence. And so, today I want to discuss with you a series of new policies to encourage and reward the work of America's small-business women and men.

Before I do so, I want to thank some of the members of my team who are here. Hector Barreto, who is the head of the SBA, is with us today. And Hector, I want to thank you very much for coming. I understand the Secretary of Treasury was here, Paul O'Neill. He probably went back to work. That's a good sign. *[Laughter]* He heard the boss was coming, so he headed out of here—*[laughter]*—but I appreciate his leadership. Rosario Marin, who is the Treasurer of the United States, is here. Thank you, Rosario. I see my friend from the State of Arkansas, Tim Hutchinson. Thank you for coming, Senator. I appreciate you being here today.

Not only do I want to thank you all for being here, but I know we've got some folks who are watching via satellite from Orlando. You might say hello to your Governor down there for me. *[Laughter]* Tell him to keep listening to Mother. *[Laughter]*

St. Louis, Missouri—we've got some folks tuned in in St. Louis. I just was there last night and had a great trip to St. Louis. We've got some people from Little Rock, Tim, who are watching, and from Bangor, Maine, as well. So welcome via satellite to this important conference, and thank you all for listening.

One of the things this summit recognizes is that there's been a fundamental change in our economy. When it comes to entrepreneurship and job creation, ours is an increasingly woman's world. The truth of the matter is—and the reason why I say that is, women-owned businesses are growing at twice the rate—2 times the rate of all other United States firms. That's a remarkable accomplishment for the United States of America. And the interesting other fact that I want to point out to people listening is that women firms now employ 7 million Americans.

Small-business ownership is a great equalizer in America. The only connections you need are happy customers, a good business plan. The only credentials you need are good products. The only values you need is to be willing to take risk and to work hard. For millions of minorities and women and new Americans, small businesses provide a great chance to succeed in America, a chance to realize your dreams.

For some women, a small business brings the satisfaction of success without having to go through the frustrations of corporate life. I suspect there are a lot of women entrepreneurs in this room and around the

country who tried out corporate life and found out—and agree with what this entrepreneur said. Nancy Miller put it this way: “You succeed or fail based on your own abilities, not on politics or anybody else.” She’s got a pretty good point there. She talks about the freedom that comes with owning your own business. And it’s so important that our country maintain that flame of freedom, the entrepreneurial spirit of America.

What the other—and the reason I love the entrepreneurial spirit, because it provides people a chance to be creative, to build, to contribute, and to own.

Being your own boss, as Sherrin Holder of Virginia describes it, brings a sense of pride and accomplishment, a sense of ownership, and a growing hope for success. She captures the feeling of every entrepreneur. You can advance yourself, and you can do good by doing so. As you succeed, you help others to succeed, first and foremost by providing somebody with a job.

You can dream big dreams in America, and my job as the President is to make sure that if you’ve got a good idea, you can realize those dreams. And as importantly, when you’re successful, you can pass on your assets to your children, if you so choose, or to anybody you desire to.

The thing about America is that people—Americans have got to understand that everybody in our country has a stake in the success of small businesses, starting with the fact that small businesses create two-thirds of the new jobs created in America on any given year. It’s really important for people to understand, as we’re fighting a recession, if small businesses create two-thirds of the new jobs, it makes sense that any economic recovery strategy focus on small businesses. And that’s what I want to talk about today.

I do not believe the role of Government is to create wealth. That’s not the role of Government. There are no guarantees in the free enterprise system. The role of Government is to create an environment

that encourages risktaking, an environment that facilitates the flow of capital, and an environment in which people can realize their dreams. That’s the role of Government, and that’s exactly what I intend to do as the President.

And it started right after I got sworn in as President, when I went before the Congress and insisted that they reduce the tax rates on everybody who pays taxes in America. And that tax cut came at the right time for our country. Make no mistake about it, the fact that we’re willing to allow people to keep their own money stimulated demand. And when you stimulate demand, that then causes production increases. And when you increase production, you increase jobs. The tax cut came just at the time our economy was losing steam. It was an important part of the fact that our economy is beginning to rebound. And for those who think we ought to undo the tax cut, they’ve got a mighty high hurdle to cross: That’s me.

And here’s the thing about the tax cut that I know was incredibly important for the future of our country. Most small businesses—let me put it this—many small businesses, many, many businesses are sole proprietorships or are limited partnerships and, therefore, do not pay corporate rate in income tax; they pay individual rates. And therefore, by cutting all rates, what we did was provide cashflow to the small businesses of America. The tax reduction plan was important for small-business growth and activity. The more businesses—the more cashflow a small-business owner has in her pocket, the more likely it is the business will succeed and expand and create more jobs. This tax cut not only happened at the right time; it was really good for small businesses in America.

A lot of us in Washington didn’t feel like that was enough, and so we fought for an economic stimulus plan, which I’m proud to report I was able to sign in the Rose Garden a couple of weekends ago. And with the help of both Republicans and

Democrats, the plan made it to my desk. It is a plan that says we're going to help people whose lives were affected because of the attacks of 9/11 by extending unemployment benefits. But it also recognized that people don't want an unemployment check; they want a permanent paycheck. And therefore, we created additional stimulus, mainly encouraging people to invest in plant and equipment. If you encourage people to invest in plant and equipment, that will help those who are the immediate employer, but also those who manufacture the equipment or manufacture the—or construct the plant will also have employment. So it's a ripple effect in our economy. And so I was pleased to sign that bill, and it's going to help, in my judgment, not only in the short term but in the out-years as well.

And we're seeing some encouraging signs of recovery, but I want to tell you something. I'm not a numbers cruncher, I'm not one of these bean counters, but I don't believe the economy is strong enough to say that we've recovered. I worry about the fact there are too many people in our country still looking for work. And if people who want to work can't find work, we've got to keep moving on the subject of economic security and economic recovery, and that's what I want to talk to you about today.

Again, I'll repeat, if the small-business sector creates two-thirds of the new jobs in America, it makes a lot of sense to focus on how to stimulate small-business growth. So I want to talk to you about some of my plans to do so, starting with this. And basically, the summary is, that we're going to lift unfair regulatory burdens; we're going to encourage additional cashflow; and we're going to work to make sure that American entrepreneurs have got access to Government contracting.

Because the economic stimulus package only had a 3-year life to it, I believe Congress ought to pass additional incentives for small businesses to invest in plant and

equipment, incentives beyond the incentives in the economic stimulus package. As you know, annual tax deductions are limited to a certain amount of money on an annual basis for small businesses, and the size of the purchase is relatively small. I think we ought to increase the size of the purchase of plant and equipment as well as increase the annual deductions for small businesses in order to enhance cashflow, which will make it easier for people to find more jobs in America.

Secondly, the complexity of the Tax Code is a tremendous burden on small business. And we must simplify it. It's an interesting fact I ran into: 9 out of 10 small businesses owned by women have fewer than 5 employees. And the amount of time people spend over trying to figure out a complicated tax system is enormous. It is a—frankly, not that good a use of your time. [Laughter]

I talked to Secretary O'Neill about this very subject. I'm going to share it with you. One, I instructed him to report on ways that the Treasury Department can simplify the Tax Code on small businesses as quickly as possible. I will give you one idea—not an idea, one thing we're going to do immediately by—a revenue rule, it's called. And Paul, I promise you, is the kind of fellow that, when he's asked to do something, he'll get it done quickly. And I've asked him to do this. [Laughter]

Service businesses with gross revenues of under \$10 million will be able to use the cash accounting method of accounting, as opposed to accrual method of accounting. Simply put, that will eradicate a lot of time spent on trying to figure out the accrual method of accounting. It simplifies the accounting process for small businesses, which will be a timesaver and a moneysaver and will help create more jobs by simplifying the regulatory burden on small businesses. We're going to get this done quickly.

Although what I'm about to tell you won't have an immediate effect on job creation, it is an important part of any small-business owner's plan or strategy, and it's this: We've eliminated the death tax as a result of the new tax reform. However, because of a—I guess you would call it a quirk in the law, the death tax would not be totally eliminated in the year 2011. We must make the repeal of the death tax permanent. I call upon Congress to do this immediately. It is unfair, patently unfair, for a—any entrepreneur—but a woman entrepreneur to develop her own business and have that business taxed twice as she tries to leave her assets to whomever she chooses. It is not fair.

There are a lot of Federal regulations that complicate the lives of small-business people all across the country. The SBA has calculated that the hidden costs of regulations to businesses with fewer than 20 workers—and it's this—it comes down to \$7,000 per worker. That's a lot of money, particularly if you're trying to figure out ways to expand your employment base. And this is a drag on our economy. Hidden costs are a drag on the U.S. economy.

And so today I want to make sure people understand that we're going to do everything we can to clean up the regulatory burdens on small businesses, starting with this: Every agency—already it's under current law—but every agency is required to analyze the impact of new regulations on small businesses before issuing them. That's an important law. The problem is, it's oftentimes being ignored. The law is on the books; the regulators don't care that the law is on the books. From this day forward, they will care that the law is on the books.

Mitch Daniels, who heads the Office of Management and Budget, will not accept regulations that do not calculate the cost on American small businesses. We want to enforce the law. It is a good law to have a cost benefit analysis of any regulation on small business. If regulations provide a hidden cost on small businesses, which provide

a drag on our economy, and if we're trying to stimulate our economy, one way to do so is to enforce the law which says that we will not have costly regulations on small businesses in America. And that's what we're going to do.

Furthermore, if you've got a problem with regulations, if there are nettlesome regulations which are costly for you to operate your business, that you don't think makes any sense, I urge you to get on the Internet and wire the OMB your problem, so we can analyze it. Now, here's who you—if you want to write this down, here it is. [Laughter] Gosh, it seems like a lot of people are getting ready to write it down. [Laughter] I'm not surprised: www.whitehouse.gov—wait a minute, it's getting better—/omb/inforeg, and wire them in. I talked to Mitch before I came over here; I said, "Mitch, I just can't stand up here and say you're going to get rid of regulations and ask people to call in or write in. Give us some place to send the information." And I said, "If I stand up here in front of the women entrepreneurs of America and somebody e-mails in, you better respond"—[laughter]—www.whitehouse.gov/omb/inforeg.

Fifth, I am proposing measures to make health care more available. I understand the drag on small businesses. It is hard for you to attract good workers; it is hard for you to keep good workers if your health care costs are going sky-high. I understand that.

There was a lady who wrote in. She said, "I have 12 employees, and I was canceled 3 times by my insurance company in 2001. And the reason they gave me is that they are no longer going to be writing small-group plans." Perhaps that's happened to some of you all out here as well. "If we could get into a larger pool where we could get access to lower premiums, then I could insure more people and hire some more people."

I think that's a universal complaint all across America. And that's why I strongly

support association health plans. That means that small businesses will be able to pool together and spread their risk across a larger employee base. It makes no sense, no sense in America, to isolate small businesses as little health care islands unto themselves. We must have association health plans. I know the Senator strongly supports that, and Congress ought to support them.

And here's the way they will work. It means a family restaurant or a local hardware store can insure their workers, say, through the National Federation of Independent Businesses or the National Restaurant Association. It allows association groups to write health care plans across jurisdictional boundaries to the benefit—to the benefit not only of the small-business owner but to the benefit of those who work for small businesses.

And finally, Government contracting must be more open and more fair to small businesses. I believe—I know Government contracting, if wisely done, can help us achieve a grand national goal, which is more ownership in more communities all across America. But you know as well as I do that there are some large hurdles for small businesses. One is, that—and the main one is that agencies sometimes, many times, only let huge contracts with massive requirements, and they tend to go to the same group of large corporate bidders. Around—the term of art in Washington is called bundling. It effectively excludes small businesses, and we need to do something about that.

Again, I talked to Mitch about this, and I want him to examine—he understands, like I understand, the capacity for our Government to encourage entrepreneurial growth, the capacity for our Government to stimulate small-business ownership in all communities across America. And so one of the things we're going to do is, we're going to examine the Federal Government's contracting policies, to make sure that they encourage competition as opposed to ex-

clude competition, to make sure that the process is open, to make sure the process helps achieve a noble objective, which is more ownership in our country. And wherever possible, we're going to insist that we break down large Federal contracts so that small-business owners have got a fair shot at Federal contracting.

The Government can provide an environment that will encourage risktaking, and I believe, when we do these, it will encourage risktaking. There are no guarantees in the free enterprise system, as you all know. But we can make the system more open and more inviting. We can encourage people to take risk, and that's exactly what we're going to do in this administration. It is important for the economic security of the United States of America.

Not only am I concerned about economic security; I'm also concerned about our national security. And I want to share some thoughts with you about my thinking about our national security.

First, I know there are many from New York City here who suffered mightily on September the 11th. And I want to say how much I appreciate that city showing not only our Nation but the world what it means to be resolute and tough and determined to succeed. Not only watching how New Yorkers responded but seeing how our Nation responded leads me to conclude that the enemy didn't understand who they were dealing with. You see, they thought we were so materialistic and so self-absorbed that the only thing I was going to do was sue them. [*Laughter*] They were wrong. They were wrong.

My most important job is to protect innocent lives in America. My most important job is to protect the homeland, and we've got a strategy in place to deal with a bioterrorist attack. We've got a first-responders strategy. We're doing a better job of buttoning up our borders. We want to know who's coming in and why they're here and when they're leaving. We've got to do a better job.

But I want to tell you all that the best way to achieve the objective of securing the homeland is to chase the killers down, wherever they try to hide, and bring them to justice. And I want to assure you, that's what's going to happen. And it's going to take a while, but the good news is, the American people are patient. I believe the American people understand the difficulty that lies ahead. I know the United States military does, and I'm so proud of the way they have accomplished the mission so far.

I gave a speech in Washington a while ago—and once you're over 55, everything is a while ago—[laughter]—I can't remember if it was a week or 2 weeks but, nevertheless, a while ago—[laughter]—that said the first phase in the war against terror is over with. And that first phase was upholding the doctrine that said, if you harbor a terrorist or feed a terrorist or hide a terrorist, you're just as guilty as those who came and murdered innocent Americans and others from around the world. And the Taliban found out exactly what this great Nation meant. They're no longer in business.

The way I viewed—I was so proud of our country, because we sought not revenge but justice. That's what we seek. And we didn't go to Afghanistan as conquerors; we arrived as liberators. As Elaine Chao mentioned, this week, for the first time, many young girls will be going to school. I am so proud of our country. I am proud of our military. I am proud of the children who have raised millions of dollars for Afghan children. I'm proud of the compassion of our country. We've showed the world that not only will we seek justice; we've showed the world that we will seek a better society for citizens, starting in Afghanistan, by ridding them from the clutches of one of the most barbaric, backward regimes history has ever known.

But there's more to do, and as leaders in your communities, it is important for me to share this with you. Anytime Al Qaida bunches up, we're going to get them.

They did so in the Shahi-Kot Mountain Range, and they now regret that. Because you see, there are still thousands of these trained killers around. And I want to tell you—I cannot make it any more plain than this—they hate America, and the reason they hate America is because we're free. We're a free society. They can't stand the thought of the President of the United States coming to speak to women who own their own business.

These are people who are irrational, and we will treat them like the international criminals they are by keeping them on the run. So the second phase, my fellow Americans, of this war is to deny them sanctuary. Anywhere they try to light, we will disrupt them. We will be patient; we'll be deliberate. But I can assure you, we'll be determined.

I have submitted a budget that significantly raises the defense spending. And the reason I did was because I want those who risk their lives on behalf of Americans to get the best pay, the best equipment, the best training possible. I recognize—I recognize that the price of freedom is high. But as far as I'm concerned, it is never too high.

The world watches us. The world tests, or really looks at, our will. They want to know whether or not we're people who just talk or people who are willing to lead. And they're going to find out we're a nation that—when somebody attacks our values and murders our citizens and still wants to do so, they will find that we are a strong, resolute, determined, and united people, much to the chagrin—much to the chagrin of terrorist networks around the world. The more firm we are, the more likely it is the world will follow. And the more firm and determined we are, the more likely it is that we will achieve lasting peace.

My dream for the world is lasting peace. I want our children to grow up in a peaceful world, a world in which freedom, at its very center, is the most important value. And we can achieve that. There is no doubt

in my mind, as the United States remains firm and strong and achieves our clearly stated objectives, that we have a chance to solve problems that many never think could be solved around the world and leave behind such a wonderful legacy, not only for our own children but for children of every country. And at the same time, we have an opportunity at home to show the world the true face of America, the heart and soul of the American people.

I want to thank very much Suzanne Tufts for being here today. She is the president and CEO of American Woman's Economic Development Corporation. Right after the enemy attacked, Suzanne and her organization moved quickly to help small businesses affected by the attack, primarily women-owned businesses, to help them, obviously, deal with the shock to their businesses but also help them get back on their feet. It is this kind of compassion and care and concern for a neighbor that is the true strength of the country.

Listen, we're a great military power, and that's good. [*Laughter*] But the true strength of America is not in the halls of Government; it's in the hearts and the souls of our citizens. The thing that makes our country so unique is that we're people that have heard the universal call to love a neighbor like you'd like to be loved yourself.

I'm asked all the time by people, "What can I do to help in the war against terror?" And the answer is: If you want to stand up to evil, do something good for a neighbor in need; if you want to stand up squarely in the face of evil, show somebody you love them. And those don't have to

be magnificent acts of love; they can be small acts of generosity which, in their total, help define America for the rest of the world. Just walking across the street to a lonely shut-in is, in itself, part of the defiance to evil—or mentoring a child, or thanking a teacher, or generosity with your checkbook, or using your time and talents for your church or synagogue or mosque to help people who are hopeless in our society.

Out of this incredible evil done to America, I see great good. I see not only the good of lasting world peace; I see a nation that is more compassionate and hopeful, a nation that understands that by adhering to the admonition to love a neighbor just like you'd like to be loved yourself, we set a clear example of what's possible in other places around the world.

I have been not only amazed, I have been so gladdened by what I've seen and heard about America in the face of this tragedy. Not only are we determined to seek justice; we're determined to right wrongs, to help heal souls, and to help people in need.

It is such an honor to be the President of a country that embraces the entrepreneurial spirit for all. But more importantly, it's an honor to be the President of a country full of decent and heartfelt and compassionate Americans.

God bless.

NOTE: The President spoke at 11:10 a.m. in the Atrium Ballroom at the Ronald Reagan Building and International Trade Center. In his remarks, he referred to Gov. Jeb Bush of Florida.

Remarks Following a Cabinet Meeting *March 19, 2002*

Thank you all for coming. We've had a very good Cabinet meeting. I want to thank

my members of the Cabinet for discussing