



## Remarks by John McCain at the NFIB and eBay 2008 National Small Business Summit

By Press Office  
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ARLINGTON, VA -- U.S. Senator John McCain will deliver the following remarks as prepared for delivery at the NFIB & eBay 2008 National Small Business Summit in Washington, D.C., today at 9:30 a.m. EDT:

Thank you very much. I appreciate the hospitality of the National Federation of Independent Business. And I am honored to be in the company of so many men and women who represent the best of American enterprise.

I have never run a small, struggling enterprise -- unless you count my presidential campaign last year. But I do know that more than anything else, small businesses are what make the American economy run. You're the ones who take the risks, often with little start-up money and nothing to fall back on. You are the ones who do most of the innovating in this country, and most of the hiring, too. For women, for immigrants and for people of every background, small businesses are the path to success and to the American dream.

In this very tough time for our economy and for workers and families across our country, job creation among small businesses is crucial. The African-American and the Hispanic-American small business communities are one of the fastest growing segments of our economy. That is a credit to the entrepreneurs of America, and America's prosperity depends on your success.

Job creation is just one reason why the government should never take the hard work, sacrifices, and earnings of small businesses for granted. As president, my goal will be to get our economy running at full strength again. And that starts by supporting small businesses across America.

Now that we know who I will be facing in the general election, the real debate over economic policy can begin. And as you may have heard, Senator Obama and I might well be meeting soon in a series of town hall discussions. Just the two of us, in direct conversation with voters. No need to turn it into a big media-run production with process questions from reporters, a spin room, and all the rest of it. To keep things friendly, I also suggested that my opponent and I travel to these town hall meetings together in the same plane.

Our disagreements in these town hall meetings will be civil and friendly, but they will also be clear for all to see. On tax policy, health-care reform, trade, government spending, and a long list of other issues, we offer very different choices to the American people. And those choices will have very different consequences for American workers and small business owners.

No matter which of us wins in November, there will be change in Washington. The question is what kind of change? Will we enact the single largest tax increase since the Second World War as my opponent proposes, or will we keep taxes low for families and employers? This election offers Americans a very distinct choice about what kind of change we will have. This is especially true for the small business community.

Let me speak to you about the change I will seek.

As president, I intend to act quickly and decisively to promote growth and opportunity. I intend to keep the current low income and investment tax rates. And I will pursue tax reform that supports the wage-earners and job creators who make this economy run, and help them to succeed in a global economy. Serious reform is needed to help American companies compete in international markets. I have proposed a reduction in the corporate tax rate from the second highest in the world to one on par with our trading partners; to keep businesses and jobs in this country.

One of the most crucial economic issues in this campaign is the ability of American workers to benefit from exports to other nations, and how government policy can help them to do so. And here, too, I welcome the debate with the Democratic nominee.

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I want to break down foreign trade barriers, so that America's small businesses can compete abroad. When new trading partners can sell in our market, and American companies can sell in theirs, the gains are great and lasting. The strength of the American economy offers a better life to every society we trade with, and the good comes back to us in many ways -- in better jobs, higher wages, and lower prices. Free trade can also give once troubled and impoverished nations a stake in the world economy, and in their relations with America.

At the same time, we have to help displaced workers at every turn on a tough road, so that they are not just spectators on the opportunities of others. And I have made that commitment with reforms to expand and improve federal aid to American workers in need. We need to help millions of workers who have lost a job that won't come back find a new one that won't go away.

Unfortunately, Senator Obama has a habit of talking down the value of our exports and trade agreements. He even proposed a unilateral re-negotiation of NAFTA -- our agreement with Canada and Mexico that accounts for 33 percent of American exports. But we have a sharp disagreement here that I look forward to debating. If I am elected president, this country will honor its international agreements, including NAFTA, and we will expect the same of others. And in a time of uncertainty for American workers, we will not undo the gains of years in trade agreements now awaiting final approval.

And as we expand markets for Americans products, we must do more tax reform here at home. I will propose and sign into law a reform to permit the first-year expensing of new equipment and technology. We're also going to keep the low rate on capital gains, so that businesses like yours can expand and create jobs instead of just sending more of your earnings to the government. And so parents can spend and save more for their own children, I will propose to double the size of the child tax exemption. I will also propose as well a middle-class tax cut -- a phase-out of the Alternative Minimum Tax to save more than 25 million middle-class families as much as 2,000 dollars in a single year.

Another of my disagreements with Senator Obama concerns the estate tax, which he proposes to increase to a top rate of 55 percent. The estate tax is one of the most unfair tax laws on the books, and the first step to reform is to keep it predictable and keep it low. After a lifetime building up a business, and paying taxes on every dollar that business earns, that asset should not be subjected to a confiscatory tax.

It is not enough, however, to make little fixes here and there in the tax code -- especially if you're a small business owner filing under the individual tax. What we need is a simpler, a flatter, and a fair tax code. As president, I will propose an alternative tax system. When this reform is enacted, all who wish to file under the current system could still do so. And everyone else could choose a vastly less complicated system with two tax rates and a generous standard deduction.

Americans do not resent paying their fair share of taxes. What they do resent, and especially if they're trying to run a business, is being subjected to thousands of pages of needless and often irrational rules and demands from the IRS. We know from experience that no serious reform of the current tax code will come out of Congress, so now it is time to turn the decision over to the people. We are going to create a new and simpler tax system -- and give the American people a choice.

Senator Obama's plans would add to the difficulties of small business in other ways, too. Currently, there are the 21.6 million sole proprietorships filing under the individual income tax. When Senator Obama talks about raising income tax rates on those making over 250,000 dollars -- that includes these businesses as well. He also proposes increases in dividend and capital gains taxes. Under Senator Obama's tax plan, Americans of every background would see their taxes rise -- seniors, parents, small business owners, and just about everyone who has even a modest investment in the market. He proposes to eliminate the Social Security earnings cap, and thereby to increase the tax on employers. He proposes to eliminate the secret ballot for union votes, and to raise the minimum wage and then index it, which is a sure way to add to your costs and to slow the creation of new jobs. You work hard in small businesses to grow and to create new jobs and opportunities for others -- and the federal government shouldn't make your work any harder.

As for health care policy, I believe that the best way to help small businesses and employers afford health care is not to increase government control of health care but to bring the rising cost of care under control and give people the option of having personal, portable health insurance.

As it is, the traditional tax-subsidy that supports private insurance is concentrated on a subset of American workers and a portion of our businesses. My health care reform will end that unfair bias in the law, while helping to make health insurance more affordable for every American. We're going to offer every individual and family in America a large tax credit to buy their health care, so that their health insurance is theirs to keep even when they move or change jobs. My plan would allow those who want to stick with employer provided health insurance to do so. But I want to give individuals greater choice, rather than give small business no choice at all.

For too long, government has been the voice of big business, not small business. And to make matters worse, even when very large businesses violate their trust, they seem to be held to a different standard -- getting away with conduct that would leave any small business owner broke. We need rules that assure fairness and punish wrongdoing in the market, and hold every business person in America to the same fair standards.

In times of hardship and distress, we should be more vigilant than ever in holding corporate abuses to account, as in the case of the housing market. Americans are right to be offended when the extravagant salaries and severance deals of CEO's -- in some cases, the very same CEO's who helped to bring on these market troubles -- bear no relation to the success of the company or the wishes of shareholders. Something is seriously wrong when the American people are left to bear the consequences of reckless corporate conduct, while the offenders themselves are packed off with another forty - or fifty million for the road.

If I am elected president, I intend to see that wrongdoing of this kind is called to account by federal prosecutors. And under my reforms, all aspects of a CEO's pay, including any severance arrangements, must be approved by shareholders.

In so many ways, we need to make a clean break from the worst excesses of both political parties. And for Republicans, it starts with reclaiming our good name as the party of spending restraint. Somewhere along the way, too many Republicans in Congress became indistinguishable from the big-spending Democrats they used to oppose. The only power of government that could stop them was the power of veto, and it was rarely used. If that authority is entrusted to me, I will use the veto as needed. I will veto every bill with earmarks. I will seek a constitutionally valid line-item veto to end pork-barrel spending once and for all. And I will lead broad reforms that remove the many corporate tax loopholes that are costly, unfair to smaller business competitors, and inconsistent with a free-market economy.

The recent 300 billion-dollar farm bill was a case in point. Family farmers are America's original small business owners, and many are struggling to survive. But nowadays, small farmers have been forgotten, and instead the Congress sends a steady supply of subsidies to agribusiness. It would be hard to find any single bill that better sums up why so many Americans in both parties are so disappointed in the conduct of their government, and at times so disgusted by it. Even as American families struggle to buy food, because of rising prices, Congress refuses to place real limits on farm subsidies or end tariffs on imports that drive grocery bills higher.

When both parties carry on like this, there is only one proper response -- a presidential veto. That is exactly what I will do as president, with any bill that serves only special interests and corporate welfare. On my watch there will be no more subsidies for special pleaders, no more corporate welfare, no more throwing around billions of dollars of the people's money on pet projects, while the people themselves are struggling to afford their homes, groceries, and gas. We are going to get our priorities straight in Washington -- a clean break from years of squandered wealth and wasted chances.

To control spending, I will also order a thorough review of the budgets of every federal program, department, and agency, and I will post the results of these reviews on the Internet for every American to see. While that review is underway, we will institute a one-year pause in discretionary spending increases with the necessary exemption of military spending and veterans benefits. "Discretionary spending" is a term people throw around a lot in Washington, while actual discretion is seldom exercised. Instead, every program comes with a built-in assumption that it should go on forever, and its budget increase forever. My administration will change that way of thinking. We will ensure that federal spending serves the common interests, that failed programs are not rewarded but reinvented or ended, and that discretionary spending is going where it belongs -- to essential priorities like job training, the security of our citizens, and the care of our veterans.

These are among the many serious issues at stake in this election. All of these challenges, and more, will face the next president, and I will not leave them for some unluckier generation of leaders to deal with. For too long government has been more interested in protecting its budget and its interests rather than the interests of small businesses and the family budgets that depend on your growth. And partisanship in Washington is less focused on your future than it is on the next election.

My goal, however, is not to denigrate government but to make it better, not to deride it but to restore its good name. Government should be on your side, not in your way. It will be hard work, but it is a cause worthy of our best efforts. And if we do it well, in the right spirit, it will be because we have again put our country's interests before the interests of parties, bureaucracies and self-interest. And then we will finally reclaim the confidence of the people we serve. Thank you.