

VETO—S. 5

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

RETURNING

WITHOUT MY APPROVAL S. 5, THE FAMILY AND MEDICAL LEAVE
ACT OF 1992



SEPTEMBER 22, 1992.—Ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE

WASHINGTON : 1992

To the Senate of the United States:

I am returning herewith without my approval S. 5, the "Family and Medical Leave Act of 1992." This bill would mandate that public and private employers with 50 or more employees provide their employees with leave under certain circumstances.

I want to strongly reiterate that I have always supported employer policies to give time off for a child's birth or adoption or for family illness and believe it is important that employers offer these benefits. I object, however, to the Federal Government mandating leave policies for America's employers and work force. S. 5 would do just that.

America faces its stiffest economic competition in history. If our Nation is to succeed in an increasingly complex and competitive global marketplace, we must have the flexibility in our workplaces to meet this challenge. We must ensure that Federal policies do not stifle the creation of new jobs or result in the elimination of existing jobs. The Administration is committed to policies that create and preserve jobs throughout the economy—serving the most fundamental need of working families.

My Administration is also strongly committed to policies that foster a complementary relationship between work and family and encourage the development of a strong employer-employee partnership. If these policies are to meet the diverse needs of our Nation, they must be carefully, flexibly, and sensitively crafted at the workplace by employers and employees, and not in Washington, D.C., through Government mandates imposed by legislation such as S. 5.

Therefore, I have transmitted to the Congress legislation to establish an alternative flexible family leave plan that will encourage small and medium-sized businesses to provide family leave for their employees.

My flexible family leave plan is based on a refundable tax credit for businesses that establish nondiscriminatory family leave policies for all their employees. A refundable tax credit of 20 percent of compensation (for a credit of up to \$100 a week—to a maximum total credit of \$1,200) would be available for all businesses with fewer than 500 employees, for a period of family leave up to 12 weeks in length. Family leave would include the birth or adoption of a child or the care of a seriously ill child, parent, or spouse. It also would cover a serious health condition that prevents the employee from performing his or her job. This approach will cover almost all workplaces—smaller companies that S. 5 does not cover that are less likely to provide leave to their employees. My plan covers about 15 million more workers than would be eligible under S. 5 and 20 times the number of workplaces. Those not affected by my plan work for large businesses, which generally have established family leave policies.

I want to emphasize again that my bill will help where the concern is most acute—with small and medium-sized businesses and the workers in those businesses. S. 5 misses these key workplaces by excluding businesses with fewer than 50 employees. We know that these hard-pressed small companies usually offer fewer benefits than large firms, that they generate most of our new jobs—in fact, they provide the majority of people with their first job—and that they are more likely to employ women and reentrants to the labor force. Under my proposal, many more of the millions of men and women employed by smaller businesses would be able to take advantage of family leave.

The tax credit approach to the family leave issue will provide the flexibility workers and employers need to enable them to establish the optimal package of benefits that meets their particular needs. This way the parties can decide which package of benefits is best suited to them. In addition, because a tax credit is not a mandate, it does not put struggling firms at an economic disadvantage in the global marketplace. It maintains the competitiveness of American business while providing the benefits American workers need. It provides positive incentives, not mandates with veiled costs that impede growth.

Both the House and Senate passed family leave legislation almost 1 year ago, but they have kept it in the filing cabinet until now. That is nearly an entire year with no action or any willingness to depart from a federally mandated approach, only an interest in politicizing the issue.

I have proposed a truly flexible family leave program. I am willing to work with the Congress to get it passed and signed into law immediately.

There appears to be a pattern here. Three years ago, my Administration had a fundamental disagreement with these same congressional committees on child care policy. It took the Democratic-controlled Congress more than a year to get the point—I would not buy a Government-controlled and mandated child care program. When they got serious, we rapidly hammered out flexible child care legislation patterned after my proposal, that allowed *individuals* to choose their benefits.

The same holds true for family leave. If the Congress is serious about encouraging family leave, I ask those Members of Congress who have joined me in the past in opposing Government mandates to work with me again. The Congress should pass a family leave bill quickly that provides positive incentives for family leave and is responsive to the needs of workers and employers.

GEORGE BUSH.

THE WHITE HOUSE, *September 22, 1992.*

