

order to deny the establishment of a Palestinian state, there will be violence. And so the mission of the free world, those who care for peace, is to deny the people like Hamas the ability to destroy and to kill. And I believe that the agents of peace, the people who love, those who care about a decent future for the suffering Palestinian people, and those who live in Israel, will prevail. But it's going to take a lot of work.

Listen, have a wonderful Father's Day.

Iran

Q. —think of the unrest in Iran?

The President. I think that freedom is a powerful incentive. And I am—I believe that someday freedom will prevail everywhere, because freedom is a powerful drive for people to—and it's the beginnings of people expressing themselves toward a free Iran, which I think is positive.

Hamas

Q. Sir, have the Israelis been justified in going after Hamas—

The President. Wait for us to succeed peace. Wait for us to have two states, side by side—is for everybody coming together to deny the killers the opportunity to destroy. And that's what they want to do. There are people in the Middle East who hate the thought of a peaceful Palestinian

state. That's what they can't stand. And the objective of this Government and my objective as the President is to move the process forward so a state is established. It will be a peaceful state, a free state, a prosperous state, so people have hope. And in the meantime, before that state is established, it is clear that the free world, those who love freedom and peace, must deal harshly with Hamas and the killers. And that's just the way it is in the Middle East.

But we've laid out the way forward, and I intend to keep the process moving. And I believe we can have a peaceful Palestinian state living side by side with the Israelis.

Have a great Father's Day. We'll be out there catching fish.

NOTE: The exchange began at 9:50 a.m. outside Cape Arundel Church. In his remarks, the President referred to Prime Minister Ariel Sharon of Israel; Prime Minister Mahmoud Abbas (Abu Mazen) and Minister of State for Security Affairs Mohammed Dahlan of the Palestinian Authority; and Assistant Secretary of State for Nonproliferation John S. Wolf. A tape was not available for verification of the content of this exchange. The Father's Day proclamation of June 13 is listed in Appendix D at the end of this volume.

Remarks to the Business Community in Elizabeth, New Jersey
June 16, 2003

Thanks for the warm New Jersey welcome. Thanks for giving me a chance to come by and share some thoughts with you about the challenges that this country faces.

First, I'll tell you it was good to be with my dad over Father's Day. I hope you all had a good Father's Day as well. Spent a lot of time fishing together and caught a few fish. [*Laughter*] But thanks for letting me come by.

I just came from Orange, New Jersey, and—went by the Andrea Foods pasta factory. That's you. The Savignanos and the Wilkinsons were there, Rose Marie and Michael. They're the sons and daughters of Andrea and Dora, who started the business. It's so refreshing to see the American Dream alive and well, just like it is at Andrea Foods.

I was struck by the diversity of Orange, New Jersey. I saw a lot of different nationalities as I drove through. It reminded me of a couple of things about our country, one, that we are the land of opportunity and the land of hope, and we will keep it that way. We're also a—part of being a land of opportunity means that we must continue to foster what I call the ownership society, to encourage value and honor, owning—people owning their own business or owning their own home, maybe someday owning their own pension plan in the Social Security system, having the right to make choices in the health care sector. This thing that makes America strong and unique is not only are we a hopeful land and a diverse land, but we're a land that honors ownership.

Today I want to talk about the importance of small businesses. I want to herald the entrepreneurs. I want to say thanks to those who have taken risk. And I want to remind our fellow citizens that in order for our economy to recover, we must remember the strength and the importance of the small-business owner in America.

So I want to thank all the small-business owners who are here today. Thank you for taking risk. Thank you for employing a lot of our fellow Americans. I want to thank the associations who helped put this event together.

I want to thank Hector Barreto, who is the Administrator of the Small Business Administration. I want to thank him for his kind introduction. I want to thank him for his work in helping to create an environment in which people from all walks of life are willing to risk capital to own their own business.

I want to thank the mayors who are joining us today. I want to thank the folks that I had a chance to visit with at Andrea Foods. I visited with entrepreneurs, visited with taxpayers; I mentioned Michael and Rose Marie. I also talked to John Cicero and the Harveys, Paul and Lisa. These are people who will benefit from the tax relief

plan because they're married, because they pay taxes, and because they have children.

And I met the Memmelaars, father and son, of Royal Master Grinder, a small business company right here in this part of the world. I met Pat Mulhern of Mulhern Belting* Company. We sat around the table, and I listened to the concerns of both taxpayer employee as well as small-business owner. And the concerns are great, but the concerns can be solved.

Probably the greatest concern about making sure that—that our country is confident and optimistic is to make sure the country is secure. People want to have a secure environment in which to risk capital. And therefore, our biggest challenge, or one of the biggest challenges, is to make sure that we continue to fight and win the war on terror.

In Washington, DC, and at the State level and at the local level, we all have what I call a charge to keep, which is to do everything we can to protect the American homeland. And that only—not only means making sure that we cooperate better at the Federal, State, and local level and do a better job with our borders and our ports to communicate better, but it also means that we've got to stay on the offensive. The best way to protect the homeland is to hunt the killers down, one at a time, and bring them to justice, which is what America will do.

On September the 11th, our country was shocked—this part of the world was particularly shocked—at the violence, the sudden violence done. We were shocked into recognizing that oceans can no longer protect us from harm, and therefore we have the serious charge to keep.

And we acted. This Nation acted because this Nation will not be intimidated. This Nation will not be blackmailed by terror. This Nation will do what it takes to defend something we hold dear to our hearts, and that is our freedom. And we acted. We

* White House correction.

acted on a doctrine that says, “We will bring you to justice because of what you did to the American citizens. And if, by the way, if you harbor a killer, if you feed a killer, if you hide a killer, you’re just as guilty as the killer.” We acted, and the Taliban no longer is in power in Afghanistan, which is not only good for the security of the free world; it is incredibly good for the people who suffered in Afghanistan under barbaric rule.

This Nation acted to a threat from the dictator of Iraq. Now, there are some who would like to rewrite history; revisionist historians is what I like to call them. Saddam Hussein was a threat to America and the free world in ’91, in ’98, in 2003. He continually ignored the demands of the free world, so the United States and friends and allies acted. And one thing is for certain—and this is for certain: Saddam Hussein is no longer a threat to the United States and our friends and allies.

We’ve got a lot of brave troops still on the move, still looking for terrorists. We’re cooperating with our friends and allies. We’re sharing intelligence. We’re running down their money trails. But one thing is certain for the American people to know, that this Government will use whatever technologies and skill is necessary to secure America by hunting down those who would harm us, one person at a time. It is a charge we have been given, and it is a charge we will keep.

We also had to deal with an economy which was not as strong as it was—that we wanted it to be. My attitude is, if somebody is looking for work and they can’t find a job, we got an issue. And therefore, we acted. I went in front of the United States Congress when I first got elected and said, “This Nation is—looks like it’s in recession. We need to let people have more of their own money in order to stall off the recession.”

You see, when the economy is grinding down, when it’s not as strong as it should be, when demand is lax, the best way to

deal with an economic slowdown is to let people have more of their own money, is let people spend their own money, increase demand for goods and services, which is exactly what we did. And we had one of the shallowest recessions in our Nation’s history as a result of the tax relief plan.

But then the terrorists hit us. September the 11th was a shock not only to our national conscious; it hurt our economy. And we began to get our bearings and get our feet on the ground, and then another shock happened to America. We discovered that some of our corporate citizens forgot what it meant to be a responsible leader. Some of our corporate leaders didn’t tell the truth, tried to fudge the facts, weren’t honest with the shareholders and their employees. And that hurt the confidence of our economy. By the way, they will pay a price for not telling the truth.

But we needed more action, so I went in front of the Congress this year and I said, “Let’s come together. Let’s set aside all the party politics and partisan bickering and remember why we’re in Washington in the first place. We’re there to do what’s right for the American people. We must care about how to help somebody find work. That’s what we ought to be focused on, not partisanship but what’s right for the American people.” And thankfully, enough of us got together and passed a tax relief plan that will allow the American people to have more money in their pocket, that will encourage businesses to make more investment, and that says to investors, “We want you to invest more.”

The tax relief proposal was based on a simple principle. It starts with, the money we spend in Washington is not the Government’s money; it’s the people’s money. And when you’ve got additional money in your pocket, you’re going to demand a good or a service. And when you demand a good or a service in this economy, somebody is going to meet that demand. Somebody will produce the good or a service. And when that happens, somebody is more likely to

find work. That's the basis of the tax relief plan, the jobs-and-growth package that I proposed and that was passed.

And here's what was accomplished. We've lowered taxes all across the board, so that people have more take-home pay. And that's important, not only for the individual consumer and the taxpayer, but that's equally important for small businesses. And the reason it's important for small business is most small businesses are Subchapter S or sole proprietorships, which means they pay taxes at the individual level. So when you hear me talk about reducing individual tax rates, the American people have got to understand that means capital infusion into the small businesses of America, which means somebody is more likely to find work when small businesses have more money to invest and more money to spend.

The child tax credit has been expanded from \$1,000—to \$1,000 from \$600, and the \$400 differential will be in the mail by July. I was going to say, "Check's in the mail." [Laughter] Better be in the mail. [Laughter] Somebody might be looking for work in Washington. [Laughter]

We reduced the marriage penalty, which helps a million New Jersey couples. We have cut the top rate of taxes of dividends and capital gains to 15 percent. Small businesses under the bill that I signed can deduct up to \$100,000—up from \$25,000—in new equipment from their taxes. And if they invest more than \$100,000, they qualify for a 50-percent bonus depreciation that further reduces the cost of investment.

These are important incentives for economic vitality and growth. These are so important that people like Andrea Foods is now contemplating new capital investment. They're contemplating buying new machines that will make their business more productive. Productivity is an important part of any small business. It enables you to better compete. It means it's more likely you'll have a stable workforce. It means

you can get a better return on dollars spent.

These good folks at Andrea make 1,200 pounds of pasta every minute. I saw a lot of calories grinding through. [Laughter] Yet, Rose Marie and Michael are not satisfied with the production level of their company. They want to expand. They want to make more jobs available in the neighborhood in which they work. They want to be able to compete better. And so they're now contemplating a new—buying a new pasta cooker and a new flash freezer, which will expand their production by 50 percent. They took a look at the tax relief plan; they calculated the benefits; they said, "It makes sense for us to buy new machinery so that we can expand."

And that's really important. It's not only important for their business. It's likely that if this—if all goes well, they'll add 20 more employees. But it's pretty darn important for the person who's going to manufacture their machine and sell it to them. In other words, their decision has more to—has much more to do than just inside their own business. Their decision affects other people as well, and that's why this part of the law is so important.

And so when Michael turns around and orders a pasta cooker, he may talk to John at MBC Food and Machinery in Hackensack, New Jersey. After all, they've been doing business with each other for quite a while. At least their dads have been doing business with each other for quite a while. They've had a history of working together.

But would—John has seven employees busy on the—would keep seven more employees busy if this machine order comes in. And he's excited about it, obviously. He's hoping Michael makes the right decision. [Laughter] Maybe we can arrange a contract right here. [Laughter]

But it all happened as a result for Congress coming together and asking the fundamental questions, "How do we get this economy going again? What can we do

that's wise enough to encourage investment, particularly at the small-business level?" The ability to expense capital dollars more quickly for small businesses and in greater amounts for small businesses is an incredibly important part of economic growth because small businesses provide most of the new jobs created in America.

And that was the common story I heard this morning by the small-business owners, "We intend to take advantage of the smart things you did in the Tax Code in order to increase employment and to make sure our businesses are more productive."

We've also got other problems that we need to deal with here in America to make sure our small businesses grow. One of those problems is too many lawsuits. People are getting sued too often. We've had some abuse in the class action lawsuits, which make life more expensive here in America. And I appreciate very much the House of Representatives dealing with this issue. And I strongly support the measures they took, the reform on class action, which makes the—easier for class action suits to end up in Federal court. This has got better restraint on the excesses that sometimes take place as a result of class action lawsuits.

In other words, in order—if you get into Federal court, it makes it easier to stop lawyers from shopping around the country looking for a favorable court. Because generally what happens is, in a class action suit, the people who are suing get very little and the lawyers filing the suit get a whole lot. And that doesn't seem fair to the Congress, and it doesn't seem fair to me, and the Senate needs to act.

I'm concerned and mindful about what paperwork and regulations do to small businesses. So I put out an Executive order that requires all Federal regulatory agencies to minimize the burden on our small businesses. And I expect Hector to make sure that the burden is minimized on the small businesses. If you've got an issue, e-mail him.

I'm concerned about the fact that we don't have a national energy policy. You know, this country has made a wise decision to protect our air and water, and that's good. In order to protect our air, many of the powerplants have switched to natural gas. Natural gas is a clean-burning fuel. The problem is, we don't have a policy that encourages the exploration for natural gas. So demand is going up for natural gas, and supply isn't. And that's why you're seeing the price rise.

We need commonsense energy policy in America. We need an energy policy that makes us less dependent on foreign sources of energy, and we need an energy policy that uses our technologies in such a way that we can explore, in environmentally safe ways, for additional supplies of natural gas. When demand for a product goes up and supply doesn't follow that demand, prices will rise.

The Congress must act. I have proposed commonsense, reasonable energy policy for America. The House has passed a bill. The Senate is debating the bill. For the sake of American consumers and small businesses, we need a national energy policy.

I understand the cost of health insurance to small businesses. I understand the need for us to put good policy in place that doesn't nationalize health care, that doesn't make the Federal Government the end-all for health care, but a policy that addresses concerns. For example, health clinics for the poor all across America are necessary to take the strain off of small businesses as well as community hospitals. We need to have—associate health care plans to allow small businesses to come together and pool risk, which will take the pressure of rising premiums.

We need to help our docs. If one of the things we need is accessible and affordable health care, it makes sense to push for medical liability reform. We got too many junk lawsuits that cause docs—in a litigious society, particularly for doctors, doctors and hospitals will practice what's

called preventative medicine. They will do tests—ask for tests, perform tests, just to protect themselves in a court of law. And that's expensive, and that becomes expensive for consumers. And then, of course, these lawsuits will cause doctors' premiums to go up, and that causes the consumers to have to pay more. Or in some cases, it causes doctors not to practice medicine. It drives them out of business. If you're interested in having a health care system that is—provides affordable and accessible health care, you ought to join the efforts to have medical liability reform.

Now, when I came to Washington, DC, I took a look at the issue, and I said, well—you know, having been a Governor, I said, "Well, maybe these issues ought to be solved at the State level." Then I looked at the impact on our budgets. Preventative medicine and the high cost of litigation drives up the cost of Medicaid, drives up the cost of Medicare, drives up the cost of providing veterans with health care.

I've come to the conclusion that all these lawsuits are a national issue and therefore require a national solution, and I've sent up an idea to the United States Congress that says that people ought to have their day in court; bad docs certainly ought to be punished; people ought to recover economic damages, but there ought to be a hard cap on noneconomic damages and there ought to be a reasonable cap on punitive damages. In order to be able to get a handle on the cost—rising cost of health care, we ought to let our docs practice medicine without fear of a junk and frivolous lawsuit.

Finally, when I get back to Washington here in an hour, I'm going to start again working on the Medicare reform package. I believe that this Nation can set aside the old-style politics and come together and make sure our seniors have got a health care system that is modern, that includes prescription drugs, and that allows our seniors the same opportunity that Federal employees have, which is the ability to choose

a plan that best meets their needs. Listen, if choice in health care is good enough for Members of the United States Congress and their employees, it ought to be good enough for the seniors of the United States of America.

We've got issues, but we're going to deal with them. We've got challenges, but there's no doubt in my mind we can overcome them. There's been a lot of talk around the world about the muscle of the United States of America, and we're pretty strong. But our military muscle is not the true strength of America. I mean, there's no question about it, we've got the capacity to fight and win war and therefore make the world more peaceful. There's no question about it, because of our technologies and the skill and bravery of our troops, we can now target the guilty and protect the innocent. But those who focus only on that don't really understand America. The strength of America is the heart of the American people. The strength of this country is the great compassion of the people who live here.

Today when I got off the Air Force One, I met Marisa Fountainhas. You probably never heard of Marisa. She is a graduate of New Jersey Institute of Technology. But the reason I bring her up is because she volunteered at the St. John's soup kitchen. She decided that a patriotic American is somebody who does more than just put their hand over their heart and pay taxes or—hopefully less taxes now—[laughter]—but somebody who is willing to serve something greater than themselves.

At the same time, Scott Stevens was there. You probably heard of old Scott. He just happened to win the Stanley Cup. The reason the two go together is because Marisa was recognized by the New Jersey Devils Foundation for her desire to make a difference in somebody's life and, therefore, was awarded a college scholarship. Marisa, thank you for coming. I'm glad you're here.

But Scott volunteers as well. He's knocking heads on the ice, and then he's trying to save lives off the ice. [Laughter] He volunteers at the School Assembly Program. In other words, he's using his position to make a difference in somebody's life.

There are people who hurt in America, people who wonder whether or not the American Dream is meant for them, people who hear the word "entrepreneurship" and not sure what the heck that means. Our attitude—or my attitude is, so long as one of us hurt, we all hurt. And therefore, we have a responsibility as Americans to put our arms around somebody who hurts. And each of us can make a difference. The true strength of this country is the fact that there are millions of Marisas all across America, who without a Government law or without the President picking up the phone and saying, "Would you help somebody in need," are doing it on their own. And as a result, this society is and can and will continue to change, one heart, one soul, one conscience at a time, so that the bright lights of hope of this great country will be able to shine in every neighborhood, in every part of our land.

No, listen, we're tough, which will make the world a more peaceful place and a more free place. But the true strength of the country, the true strength of America, happens when a neighbor loves a neighbor

just like they'd like to be loved themselves, and it happens every day in America.

Thank you all for coming. May God bless you, and may God continue to bless America.

NOTE: The President spoke at 11:47 a.m. in the Grand Ballroom at the Wyndham Newark Airport Hotel. In his remarks, he referred to Rose Marie Wilkinson and Michael Savignano, co-owners, Andrea Foods, and their parents, Andrea and Dora Savignano; John Cicero, machinist, MBC Food Machinery; Paul Harvey, manager, Royal Master Grinder, and his wife, Lisa; John Memmelaar, Sr., president and chief executive officer, and John Memmelaar, Jr., salesperson, Royal Master Grinder; Pat Mulhern, owner, Mulhern Belting, Inc.; former President Saddam Hussein of Iraq; Marisa Fountainhas, New Jersey Nets and Devils Foundation scholarship recipient; and Scott Stevens, team captain, New Jersey Devils. The Office of the Press Secretary also released a Spanish language transcript of these remarks. The Father's Day proclamation of June 13 is listed in Appendix D at the end of this volume. The Executive order of August 13, 2002, on proper consideration of small entities in agency rulemaking was published in the *Federal Register* at 67 F.R. 53461.

Remarks at Northern Virginia Community College in Annandale, Virginia June 17, 2003

Thanks for the warm welcome. It's a pleasure to be here at Northern Virginia Community College. I am not the first person named Bush to come to this place, at least not the first person from my family named Bush to come to this place. It turns out my dad was here. President Templin was describing to me that he signed an important piece of legislation here on this

stage. And then the Northern Virginia Community College wised up and invited my mother—[laughter]—who gave the graduation speech here. And as I explained to the President, they're now working their way down the food chain. [Laughter] But thanks for having me.

I appreciate the opportunity to come and talk about the fantastic opportunities that