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citizens can find work. And there's no doubt in my mind I feel that way, because I'm a fortunate man. I'm the President of the greatest nation on the face of the Earth.

Thank you all for coming. God bless, and God bless America.

NOTE: The President spoke at 9:35 a.m. in the president's office at MCT Industries. In his remarks, he referred to Gov. Bill Richardson of New Mexico; Ted R. Martinez, president, MCT Industries, and his daughter Claudine; former President Saddam Hussein of Iraq; Phil T. Archuletta, chief executive officer, P&M Signs, and his sister, Mabel; and Jay Walton, owner, Jay Walton's Automotive.

Remarks in Omaha, Nebraska

May 12, 2003

The President. Thank you all very much. Thank you all for coming. It is—I'm so glad to be back in Nebraska. Thanks for coming by to say hello. It's an honor to be here. Brad, I want to thank you very much for opening up your fine facility to the entourage that travels with me and all these fine folks. I appreciate the entrepreneurial spirit of Airlite Plastics. I want to thank all the good, hard-working folks that work here to make this company a going concern. I appreciate your hospitality, and I want to congratulate you on your new building. It's a beautiful facility.

I'm here to talk about some important matters facing this country. But before I do, I want to remind you about something in this administration: One half of the ticket was born right here in Nebraska. Our great Vice President, Dick Cheney, was born in Nebraska. No wonder he's given me such good advice.

Thanks for coming out. I'm really proud to be introduced by Chuck Hagel. He's a fine United States Senator and a good friend. I appreciate him. He mentioned the Governor. I'm proud to call Mike Johanns my friend, and I'm glad he's here. And I appreciate the first lady of the State of Nebraska joining us here today too. It's good to see you all. Thanks for coming.

I also appreciate so very much Ben Nelson for coming, and his wife, Diane. I'm honored you all are here. I'm pleased to have you here. Thanks for coming.

You've done a pretty good job about selecting Congressmen—well, better than a pretty good job. You've done a great job here in Nebraska. I'm proud that Doug Bereuter is here and Lee Terry and Tom Osborne—all of them fine Members, and all of them good to work with. And you know what else—you let a man come across the border today to come here. And that would be Congressman Steve King from right across the way in Iowa.

I'm honored the Lieutenant Governor is here. I'm honored the secretary of state is here. I'm honored the attorney general is here. I'm honored the state treasurer is here. I'm honored the state auditor is here. And I'm honored you all are here too. Thanks for coming.

Before we talk about the issue facing this country and our responsibilities and how we're going to assume those responsibilities, I do want to talk about a lady I met at the airport today, a woman named Anne Carroll.

Audience member. Woo-hoo!

The President. Well, somebody's heard of her. That's good. [*Laughter*] You're probably wondering why I would even mention Anne Carroll. Well, let me tell you why. You see, there's a lot of talk across our country and around the world about America's muscle. They talk about our military might. They talk about our strength, but they overlook the true strength of the country. The true strength of the country is the heart and soul of the individuals in this country.

Anne Carroll volunteers her time. She's very actively involved in the Habitat for Humanity and the International Meals on Wheels. She's involved with helping make somebody else's life better. You know, the great strength of America happens when a neighbor loves a neighbor in need.

The great strength of this country is the hearts and souls of the American people. Don't ever let them tell you the great strength is the military strength. No, that's good. That helps. [*Laughter*] But we're a loving nation and a compassionate nation and a decent nation.

And I want to thank Anne Carroll, and I want to thank all of you all who work hard to help a neighbor in need. And keep doing

it. The best way to have a compassionate tomorrow for all our citizens is to put your arm around somebody who hurts and say, "I love you. What can I do to help?"

Now, we've been tested. This Nation has been tested. As Chuck reminded you, I was here on that fateful day. The enemy hit us. They thought we were going to fold our tent. They thought we were weak. They thought we were afraid. But what they've seen in the last 20 months is a relentless campaign against global terror, because we love our freedoms. What they have seen is a nation which stands strong when it comes to doing our duty and assuming our responsibilities to fight terror and to make our people more secure.

It wasn't all that long ago that we sent our troops into Afghanistan in order to uphold the doctrine that said, "If you harbor a terrorist, you're just as guilty as the terrorists," to uphold that doctrine that says, "If you feed or hide a terrorist, we will hold you to account just like we're going to hold the terrorists to account." And the Taliban found out what we meant.

As a result of the skill and bravery of the United States and our coalition friends and allies, we have freed the people of Afghanistan from the clutches of one of the most barbaric regimes in the history of mankind. And now, as a result of our decisions and actions, many young girls go to school for the first time in Afghanistan.

And we're still on the hunt. There's still Al Qaida operatives moving around. And we're going to stay on the hunt until we bring them to justice. We have a duty in this country to defend our freedoms. We have a responsibility to future generations of America to uphold our responsibility to make this country secure. And we assume those duties, and we accept that responsibility.

And so today, as I speak, there are Special Forces teams on the hunt, on the prowl. We're running down leads. We're cutting off their money. We're working with a vast coalition of nations which love freedom, and we'll stay on the hunt until we have totally dismantled the Al Qaida network to make this world more free.

And part of the war on terror was dealing with the dictator in Iraq. Part of making this country more secure and the world more peaceful was going into Iraq and removing a dictator who had defied resolution after resolution after resolution from the international community, a dictator with known terrorist connections, a dictator who had weapons of mass destruction. No, we sent in some of the bravest of the brave. And as a result of their courage and sacrifice, America is more secure; the neighborhood is more peaceful; the world is more peaceful; and the Iraqi people are free.

I want to thank very much the folks from Offutt Air Force Base who went over to the theater—the 55th, Fighting 55th went. About 1,500 of them participated in making sure the Al Faw Peninsula was secure, helped hunt down enemy Scud missiles, helped the recovery of seven POWs in northern Iraq. I'm proud to call them fellow Americans. For those of you who have got a loved one wearing this Nation's uniform, you thank them, and you tell them the Commander in Chief is incredibly proud.

We haven't been at this long. It wasn't all that long ago that I gave Secretary Rumsfeld the orders to move in—less than 2 months ago that our military, along with others, started to liberate Iraq, but we're making progress toward achieving our objective. Our objective is to make the world more peaceful, and the best way to make the world more peaceful is to promote freedom. In America, we believe a free society is a society which is less likely to create terror activities. A free society is one in which people are more likely to channel their God-given talents in a constructive and positive way.

No, we're in Iraq until Iraq is free, completely free. We will help rebuild that country. People with food on the table and with their lights on in their house and people that can move around freely without fear of a gang attacking them, these are people that are more likely to develop a society which is a free society. So first things first. And it doesn't matter how long it takes. The United States will put the conditions right, along with our allies, create the conditions necessary for Iraq to be run by the Iraqis, an Iraq of, for, and by the Iraqi people, and then we'll come home.

There is no doubt in my mind, as a result of the actions that this country has taken to defend ourselves, the world is a more peaceful place. And there is no doubt in my mind, as a result of the actions this Nation has taken to defend ourselves, freedom has a better chance to take hold all across the world. I'm proud of this country. I'm proud of the decisions and actions we have taken, and I'm proud of the values we hold dear to our hearts.

And while we continue to work on the homeland security, we've got to remember that part of a secure nation is one in which people have job security, in which people can find a job if they're looking for work. And I'm concerned about that. That interest—unemployment rate hit 6 percent the other day. And that ought to be a wake-up call to Members of the United States Congress that we've got an issue here in this country, and we need policies that will get people back to work.

I'm optimistic about our future because, like you, I have seen what we have overcome. Let me review the history right quick. The stock market started to decline in March of 2000. And since this is now an ownership society, it affected a lot of people. A lot of people count on their stocks as part of their retirement package. If you're a teacher, you care about the stock market. If you're a policeman, you care about the stock market. If you're an average citizen, it's likely you care about the stock market, because your pension plans or your 401(k)s are invested.

And so the market started going down in March of 2000, and then we went into a recession. That's three quarters of negative growth. From January of 2001, for the three quarters ending—starting January 2001, we were negative. That meant we were going backwards, meant the economy was going down. It meant people were beginning to hurt. And we started getting our feet underneath us and started making some progress; then the enemy hit us. They attacked us, and it affected us. Obviously, took a lot of lives, and we mourn for those lives, and we mourn for those families who still suffer as a result of that attack.

But it also affected the psychology of the country. You see, we thought oceans could protect us forever. And we realized we were vulnerable under the—in this new era in which we live. But the country came back together. We rallied, and then, all of a sudden, some of our fellow citizens—we discovered that some of our citizens forgot what it was like to be a responsible citizen and they cooked the books. They were CEOs of corporate America, and they forgot they have a responsibility to shareholders and employees to tell the truth. They got a bad case of big-shot-itis. [*Laughter*] But they're now learning that they're going to be held to account if they don't tell the truth.

So we overcame corporate scandal, and we're still overcoming those scandals. We've been through a lot, when you think about it. And yet, we're growing. The economy is still moving forward. As a matter of fact, we're one of the best economies amongst the industrialized world. And that's positive. But we're not growing fast enough. We're not growing fast enough because too many of our citizens are looking for work. And so long as somebody's looking for work that wants to work, says to me we've got a problem.

And therefore, I laid out a plan to deal with it. And it starts—based on this principle. It says, if you're worried about people finding work—in other words, one of the problems we have is we're such a productive economy. We've got the best workers in the world, by the way; the productivity rates are way up in America. But the more productive you are, it means there's better output per worker, which means you better increase demand if you're trying to create new jobs. In other words, if one worker can do more work, you've got to create the need for more work in order to make a job available for somebody looking for work.

And the best way to do that is to stimulate a demand for good and services, and the only way to stimulate a demand for good and services in our economy is to let people keep more of their own money. And notice I said, "more of their own money." Sometimes in the Washington debate—I noticed Senator Hagel emphasized that as well. See, he knows what I know: Sometimes in Washington people forget whose money we're talking about. You hear them say, "Well, the Government's money. Well, we're going to spend the Government's money here," or,

"we'll do this with the Government's money." We're not talking about the Government's money. We're talking about the people's money. It's your money.

And the more of your own money you have, the more likely it is our economy is going to grow. See, the more money you have in your pocket, it increases demand for goods and services. And when there's an increased demand for goods or increased demand for services in our society, in our marketplace, somebody is going to produce the good or a service. And as somebody produces that additional good or a service, it means somebody is more likely to find a job. And we're here talking about one thing, jobs for the American people. That's what we're here talking about.

So here is what I have proposed. Here's what I've proposed. First of all, you've got to recognize we did cut the taxes on everybody who paid taxes in 2001. And that made sense. We reduced the penalty in the marriage penalty. We increased the child credit. But the problem was, is that in 2001, it seemed okay to phase those tax relief, those tax cuts in over a 3- to 5- to 7-year period. Well, we know you need that tax relief right now. If you're a person looking for a job, you're not interested in tax relief in 7 years. If you're out there looking for work, you want it today.

And so I submitted to the United States Congress, strongly supported by the people here, that let's just make it happen now. Let's not wait. Let's get tax relief to the American people as quickly as possible. And so that's what we've done. That's part of the plan. A significant part of the plan is to accelerate the tax relief in place for everybody who pays taxes.

You'll hear all kinds of rhetoric out of Washington. They'll say, "This plan only benefits the rich. I can't be for this, because only the rich people benefit." Well, it's interesting they would say that. I just met with a bunch of your fellow citizens who disagree with that concept. I had the honor of having a roundtable discussion prior to coming into this hall, and I met with some good, hard-working folks from this part of the world.

The Madrigals are with us today, and so is their extended family—[*laughter*]—Kim and Greg. They've got a son, Noah, and a daughter, Marina. They're hard-working people. They're worried about their future. This tax relief will provide them $900 in tax relief a year. That's not 900 for 1 year. That's 900 for a series of years. That's $900 this year, next year, next—and all of a sudden, it gives them $900 to start planning for their future. They get to decide what to do with their own money. It's their money. They ought to decide what to do with it.

They're going to talk about making sure that they started a college savings account for their children. All of a sudden, the idea of sending their children to college is a little less onerous, because there's tax relief. They save that money. They said, "We both had to work through college. We never had anything set aside for us"—this is what Kim says—"so it's important that we provide something for our kids so they don't have to do all the struggling we had to do." That's a fantastic parent who believes that way. They understand their most important responsibility is to love their children with all their heart. This tax relief helps them.

Jenny Theisen's with us. Her husband is a staff sergeant out at Offutt. They've got children. They want to put money aside for their kids' saving. They maybe want to do a little remodeling. Now, you see, when somebody makes the decision to get a little extra money in their pocket, they decide to remodel, somebody's got to show up to the house to do the remodeling. Somebody's got to bring the hammer and the saw over and the paint. Somebody's got to go buy the paint. And all of a sudden, you start having a positive effect on the economy when the Jenny Theisens of this world start making decisions about changing the nature of her home.

It's not just Jenny. There's going to be thousands of people like her who make the decision with her own money to remodel their homes. And all of a sudden, the remodeling industry gets a shot in the arm, and somebody is more likely to find work. When you leave money in somebody's pockets and they decide to spend it, it's going to have a positive effect all throughout the economy.

I met with Julie and Tom Belt from Council Bluffs. They've got three young boys.

They're going to save $1,375 a year. That's real money. That's money that's going to go into the pockets of good, solid, middle-class citizens who will make decisions with that money, and it will begin to circulate through our economy.

And I met the Bullers. They're going to use some of that money to pay their cheering section. [*Laughter*] They're going to save $1,000 a month—a year, for the out-years.

My point to you is, is that tax relief will have an incredibly positive effect on the hard-working people of this country, people who are working hard to get ahead, people who are struggling with the bills they got today and are worried about their future. Tax relief is good for American families. Tax relief is important and is needed for our economy.

And let me tell you what else reducing the individual rates will do. It will serve as a stimulus for small business. Now, you see, most small businesses pay tax at the sole proprietorship, as a result of being a sole proprietorship or what they call a limited liability corporation or a Subchapter S. And that means they pay taxes at the individual income tax rate. So if you're the traditional mom-and-pop business, you will pay—it's more likely you'll be paying taxes at the individual income tax rate. When you hear people talk about—me talk about reducing income taxes on the individual, I want you to remember that it's also cutting taxes on the small businesses of America.

And let me tell you why that's important. Most new jobs in America are created by small businesses. And if you're interested in job creation, you've got to do something about helping the small businesses of this country. And part of that package is to allow small businesses to deduct $75,000 a year on equipment purchases, as opposed to the current limitations of $25,000 a year.

And so today I was down there in Albuquerque, New Mexico, and I was talking to some entrepreneurs and talking to a guy who owned his own garage. I can't remember how long—I think he's owned his business for 20 years. He started off with two people. He's now up to maybe a couple of—you know, 20 people. Anyway, he's growing. And he told me, he said, "If I'm allowed to expense more than $25,000, I'm likely to add on to my garage. And when I add on to my garage, it's going to mean I need somebody else to work in the garage"—because it can't sit empty. And then somebody is going to have to come and build the garage.

What we've got to do in our society is increase the vitality of our small businesses and encourage small businesses to invest. When somebody invests, it means somebody has to provide the product. And when somebody has to provide a product, somebody is more likely to find work. The tax relief plan I submitted to the United States Congress has got one thing in mind, helping people find work.

And the final aspect of the plan I want to talk to you about is the policy I've submitted to the Congress that will get rid of the double taxation of dividends. Some people say, "Well, the double taxation of dividends isn't going to help anybody except the rich." Well, they don't understand the nature of our society, evidently. More and more and more people now own stocks. More people have got a stake in the future of the stock market because of retirement plans, for example.

And therefore, it doesn't make any sense to penalize companies—if you're a stockholding society, it doesn't make any sense to penalize companies which distribute cash to the owners. That's a dividend. If you're an owner of the company, it seems like to me you want to maybe get a little something out of it besides the appreciation of the stock. You'd like to get a dividend.

But we penalize that kind of behavior in America because we not only tax the company's profits; we then tax the distribution of the profits to the shareholders. We tax the same dollar twice, and that is not fair. It's not fair policy.

It is not fair to tax the profits twice of our senior citizens. Sixty-four thousand seniors in Nebraska rely on dividends to meet their financial needs. If you're worried about the senior citizen being able to live a comfortable life upon retirement, then you need to join us in getting rid of the double taxation of dividends. A lot of seniors count on dividend income in order to survive, and the double taxation of dividends penalizes those seniors.

The double taxation of dividends will be good corporate reform. You see, we went through a period of time, as you might remember, where people said, "Invest in my company. I've got a good story, but I don't have any cashflow. But give us a shot." Kind of the pie-in-the-sky theory of market investing. "Go ahead and invest. I've got a good tale to tell, but no one seems to be buying my product."

The new economy also was tagged with reality by old economics. That is, if you run out of money, you're not going to be in business. If a dividend society is one which says in order to justify your story, in order to justify your existence, you've got to keep up a steady stream of dividends—you can't say pie-in-the-sky if you've promised the investor and the shareholder that they're going to get a dividend. You've got to perform. And so getting rid of the double taxation of dividends will cause more businesses to pay a dividend. It helps incent them to pay a dividend. And therefore, fancy footwork isn't going to work. The only thing that will work is making sure people have got a steady stream of dividends.

And finally, getting rid of dividend—the double taxation of dividends will lower the cost of capital, will make it easier for people to raise money. And remember, when people have money to invest, it means somebody is more likely to find work. We estimate that getting rid of the double taxation of dividends will add 400,000 new jobs by the end of 2004. I want Congress to take this proposition seriously. It's good for America.

And we're making progress. We're making progress. I want to thank you for your interest in this issue. I ask you to continue working with the members of the Nebraska delegation, to let them know your feelings on this very important issue.

Now, you'll hear people say, "Well, we can't do this because there's a deficit"—if I just take a quick second and just tell you my views on that. I'm concerned about the deficit. You're concerned about the deficit, I know. But let me remind you why we have a deficit. We have a deficit because the economy slowed down, is why we have a deficit. When the economy goes into recession, it means less revenues are coming into the Treasury. Secondly, we have a deficit because I told the American people, "If we ever put our soldiers in harm's way, we're going to pay whatever is necessary to win, to protect them, give them the best." And that's what we did. It's exactly what we did.

Now, there's two ways to deal with that. One, you can raise the taxes in order to make up the deficit, which doesn't make any sense to me. It'll hurt the economy. If giving people more of their money means more jobs, taking away their money means less jobs. Or you can do our plan, which is hold the line on spending in Washington, DC, which is being realistic with the people's money.

And I want to thank the Members up here that voted for that budget I submitted that holds discretionary spending to 4 percent. So you hold the line on the expense side, and you increase the revenues coming into the Treasury by increasing jobs, by increasing economic vitality. Yes, I'm concerned about the deficit, but I'm more concerned about the person looking for a job today. And this plan we've got not only will deal with the deficit in the long term, but in the short term says, we care about the man or a woman looking for a place to work in America.

I'm confident about our economic outlook, particularly confident when Congress does the right thing and lets you have more of your own money. We don't need to be little-bitty in this deal. We need to be robust to get people back to work. We don't need to be afraid of the politics or afraid of the rhetoric. We need to be strong in our desire to do what is right for this economy. And what is right is a robust plan. And what is right is a strong plan which will get money in people's pockets, so you can decide what to do with it. And when you decide to do positive things with it, somebody's likely to find a job.

No, there's no doubt in my mind that this country can overcome the obstacles that have been put in our way. There's no doubt in my mind that when we remain strong and diligent—and we will—America will be more secure. There's no doubt in my mind, as we continue to work hard for the values we believe, people will realize the beauty of freedom and the benefits of freedom. And therefore, the world will be more peaceful.

There's no doubt in my mind that this economy is going to be strong, because the

entrepreneurial spirit is strong and the people of this country are strong. We've got great workers. We've got a great system. There's no doubt in my mind we'll succeed, because there's no doubt in my mind we're the greatest nation on the face of the Earth because of the American people.

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

NOTE: The President spoke at 4:40 p.m. in the production line of the foam plant at Airlite Plastics. In his remarks, he referred to Brad Crosby, president, Airlite Plastics; Gov. Mike Johanns and First Lady Stephanie Johanns of Nebraska; Lt. Gov. David Heineman of Nebraska; Nebraska Secretary of State John A. Gale; State Attorney General Jon Bruning, State Treasurer Lorelee Byrd, and State Auditor Kate Witek of Nebraska; Senator E. Benjamin Nelson of Nebraska and his wife, Diane; and former President Saddam Hussein of Iraq. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

Remarks in Indianapolis, Indiana

May 13, 2003

Thanks a lot for the warm welcome. I'm so grateful so many of my fellow citizens have shown up this morning. Thanks for coming. I'm here to discuss some of the challenges that this Nation faces and to let you know I'm optimistic we can overcome anything in our path.

We have a challenge to make sure that we have economic security here at home. That's one of the challenges we face, and I will discuss that challenge. We also have a challenge to protect our fellow citizens from terrorism.

Today's attacks in Saudi Arabia, the ruthless murder of American citizens and other citizens, remind us that the war on terror continues. My thoughts and prayers and those of our fellow citizens are with the families of the victims of yesterday's murder in Saudi Arabia. We pray for them. We mourn the loss of life. These despicable acts were committed by killers whose only faith is hate. And the United States will find the killers, and they will learn the meaning of American justice.

I want to thank the chairman, Dick Lugar, for his service to our country and for his friendship. He's a fine, fine man. A member of my Cabinet has joined us here today, my man Mitch. Mitch Daniels has been a good friend, a close adviser, and I'm going to miss him. Washington's loss, however, will be the gain of the people of Indiana. He's a fine fellow.

I appreciate very much that Governor O'Bannon has joined us today. Mr. Governor, thank you for coming. I'm honored you are here. And I'm appreciative that Indiana's other Senator, Senator Evan Bayh, has joined us as well. Senator, thanks for coming. I appreciate you coming.

I'm proud that members of the Indiana congressional delegation have joined us as well. Chris Chocola from up north has come to be with us today. Steven Buyer, Congressman Buyer is with us today. Congressman Dan Burton is with us today. Congressman Mike Pence is with us today, and I'm also very pleased that Congresswoman Julia Carson is with us today as well.

We've got members of the statehouse who are with us. The State attorney general is with us, and other members of the statehouse. Thanks for coming. Mr. Mayor of Indianapolis, I'm honored you are here, that Mayor Peterson has taken time out of his day to greet me.

I just had the honor of talking to some of your citizens about what tax relief will mean to them. I'm going to talk about some of them a little later on. But I want to thank you all so very much for taking time out of your day to kind of tell me what life's all about here. [*Laughter*]

Last night when I landed, I met a lady named Elizabeth Hamilton. She is—the reason I bring up Elizabeth is because I want you to understand that the true strength of America is not our military or our ability to bomb people. The great strength of our country is the fact that we love each other. The great strength of America is that we're a compassionate nation.

There's been a lot of talk about our military, but I want you to remember that the thing that makes this Nation strong is the fact that we have citizens like Elizabeth Hamilton who are willing to love somebody just like they'd like to be loved themself.