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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.

You see, Elizabeth is a reading tutor. She's willing to take time out of her life to help a child learn to read. She understands a society—a hopeful society is one in which we work hard to save lives, one person at a time. She—not only that, but she works at the Christamore House, which is a house—a center aiming to serve people in need, to help people who hurt. Elizabeth, thank you for coming. I'm honored you're here. Please stand up. And for any of you who want to follow the path of Elizabeth Hamilton, we've got what's called the USA Freedom Corps. You can look it up on the Internet if you're interested in helping somebody in need. If you really want to make this country a strong country, volunteer. Help somebody who hurts. Love a neighbor just like you'd like to be loved yourself.

This Nation has been tested. For 20 months, we have waged a relentless campaign against global terror. You see, the enemy hit us, and they didn't realize the nature of this country. They probably thought we would just fold our tents and go home. They don't understand America. They don't understand how much we love freedom. They don't understand how much we cherish—[*applause*]. They probably thought we would forget, but anytime anybody attacks our homeland, anybody—anytime anybody attacks our fellow citizens, we'll be on the hunt, and we'll find them, and they will be brought to justice. Just ask the Taliban. [*Laughter*]

We went into Afghanistan, not all that long ago when you think about it, to uphold a doctrine that said, "If you harbor a terrorist, if you hide a terrorist, if you feed a terrorist, you're just as guilty as the terrorist, and you'll be held to account."

So we, along with a vast coalition, went into Afghanistan to bring people to justice but also to free people from the clutches of one of the most barbaric regimes in modern history. And now, thanks to the United States of America and a lot of our friends, young girls go to school for the first time. I'm proud of this country and what we stand for.

I figured we've destroyed about one-half of Al Qaida, the top operators of Al Qaida. And that's good. But we've got more work to do. And the other half are going to get on the run, and we will find them. In order to protect this homeland, the best way to protect the homeland is to hunt down anybody who would do harm to Americans and bring them to justice, and precisely what we're going to do in America.

We will be patient, and we'll be relentless, because that is our obligation to future generations of Americans, an obligation which says that we must work hard to make sure people can grow up in freedom and peace in this country.

We also waged another battle in the war against terror when we liberated the people of Iraq from the brutal regime of Saddam Hussein. Thanks to our United States military and coalition forces, America is now more secure; the world will be more peaceful; and the Iraqi people are free.

America is proud of our military. We are proud of their skill. We're proud of their courage. We're proud of people like Army Corporal Damien Luten, who went to high school right here in Indianapolis. On March 23d, he was in a supply convoy in Iraq that came under attack. He was wounded. He was taken prisoner, and—thank God—he was rescued. He now has the Purple Heart. But more importantly, he, like everybody else who wears our uniform, has the gratitude of the United States of America.

And I know our troops are grateful for the support they found in places like Indianapolis. At the public library on Washington Street, a group of grandmothers got together and knitted scarves for our soldiers to keep the desert sand out of their eyes. What struck me was what 72-year-old Tillie Caldwell had to say. And here's what she said—her words, not mine—"What else are a bunch of old ladies going to do?" [*Laughter*] "If I could, I would be the first on the frontline with a rifle." Whoever knows Tillie, tell her I'm glad we're on the same side. [*Laughter*]

We moved into Iraq. We removed the dictator, but we've got work to do. First, we're going to help rebuild the country, make sure the people have got food on the table, make sure the children can go to school, make sure those who need medical supply can find medical supply. We're going to turn the lights on all around the country so that life can return back to normal. And then we'll work

with the Iraqi people to have a Government of, by, and for Iraqi citizens. We'll work to make sure that democracy takes hold, because we believe people everywhere love freedom. And then we're coming home.

A free Iraq will make the world more peaceful, because you see, when people are free, they're less likely to promote terrorism. When people are free, they're more likely to work to realize their aspirations in a positive way. Freedom around the world will bring peace, and that's why America stands so strong for free people everywhere across this globe.

We will work hard to make sure the homeland is secure and freedom prevails. And likewise, we'll work home to make sure everybody can find work in America. I saw the other day that the unemployment rate went to 6 percent. That should be a clear signal to reluctant Members of the United States Congress that we need an aggressive economic growth plan so people can find work.

People can say—they say, "Well, if the unemployment rate is going up, how can you be optimistic?" And my answer is, because we've overcome a lot, and we're still growing. I want to remember what this Nation has been through. First of all, in March of 2000, the stock market started going down. That affected a lot of people because we're an ownership society. Now, over 50 percent of our fellow citizens have got an interest in the stock market. You either own stock directly or your pension plan owns stock. If you're a police officer—and thank you for serving your community, by the way—you've got interest in the stock market because of your pension plans. If you're a retired teacher, you've got interest. If you're a retired citizen, you've probably got some interest in the market. And the market started going down in March of 2000.

And then our Nation went into a recession starting January 1st of 2001. That means three quarters of negative growth, three quarters of going backwards. And then, just as it looked like things were kind of getting better, the enemy hit us. And that affected America. It affected us deeply. It hurt our economy in a lot of ways. And we started getting settled down after that.

And then it became clear, over the past years, some of our citizens forgot what it meant to be a responsible citizen. Some CEOs around our country forgot what it meant to be responsible in their jobs. They didn't tell the truth to employees and shareholders alike. They will learn a lesson, that we expect people to be responsible in positions of authority. They will be held to account, and this should serve as a lesson for people in positions of responsibility. It should serve as a lesson for other chief executive officers of corporate America that we expect there to be open accounting and fair compensation packages. We expect there to be responsible behavior in America's corporate boardrooms.

Now, we've been working our way through problems. And in spite of those problems, we're growing. As a matter of fact, we're growing more than most other countries in the industrialized world. And that's positive news. What isn't positive is the fact that too many of our fellow citizens are looking for work. What's not positive is some of your fellow citizens are saying, "What can I do to put food on the table for my family?" And when people are looking for work, it says, we've got a problem, and we need to do something about it.

And so I went to the United States Congress and said, "Here's my plan. Here's what I want you to consider. I want you to consider how to make this economy grow. I want there to be one thing in your mind when it comes to debating what's right or wrong, and it's not politics. It's helping people find a job in the United States of America."

And I've put a plan out that recognizes our strengths. First of all, the entrepreneurial spirit is strong in America. This is a country where if you've got a dream and are willing to work for it, you can achieve that dream. And we've got to keep that entrepreneurial spirit strong in this great country.

Interest rates are low. That's a strength that helps the homeowner either buy a home or refinance a home. We want people owning their homes in America. And interest rates—low interest rates help people own a precious asset like a home. Inflation is down, which is positive. But the best thing we've got going for us is we're the most productive workforce

in the world. Our workers are the best in the world.

That's good news, and it can be bad news. And one of the reasons it's bad news is, the more productive the workforce—in other words, each worker can produce more goods and services per hour—it means you'd better increase the demand for goods and services if you want to increase employment. The more productive we are, the more the economy has to grow in order for somebody to find work.

The best way to encourage—increase demand for goods and services is to let people keep more of their own money. You see, when somebody has more of their own money, they're likely to make a decision on a good or a service. They say, "I want more of this," or, "I need an additional good," in which case somebody is likely in our system to produce it. And when somebody meets that demand by additional production, somebody is more likely to find a job. And we're here to talk about one thing, jobs. That's what we're here to talk about.

So I submitted a plan to the United States Congress that focuses on jobs. First of all, one of the key parts of this plan is that it understands whose money we're talking about. Sometimes in Washington, you hear the rhetoric, "Well, we're spending the Government's money." Now, you don't spend the Government's money in Washington. We're spending your money. It's your money we're talking about.

And so I said, "Let's let the people keep more of their own money." In 2001, the Congress responded. It cuts rates on everybody. That's fair. If you're going to cut the rates, you cut them on everybody. Government shouldn't pick and choose winners when it comes to tax relief. Secondly, it said the marriage penalty is not a good thing. We ought to encourage marriage, not discourage marriage. And the third aspect of the plan, I said we ought to increase the child credit from $600 to $1,000 per child.

And so, Congress listened in 2001 and passed the plan, except they phased it in over a period of years. And my attitude is this: If the economy is hurting today, if we've got some of our fellow citizens looking for work, instead of waiting 5 years, let's do it today. The person looking for a job doesn't care what happens 5 years from now. The person looking for a job wants the economy to grow today. For the sake of economic vitality, Congress has got to act and act boldly on this plan to get more of your own money back to you.

And people, you'll hear all the time in Washington, they'll say, "Well, this is only for a certain class of people." That's the old, tired, stale class warfare argument. A family of four making $40,000 a year would see their Federal tax bill go down from $1,178 a year to $45. That's a family of four making $40,000. And that's $1,000, not just for one year, but for years. And it gives that family a chance to plan. It basically says that family can use their money the way they see fit. After all, it's your money to begin with.

This plan is important for the small-business growth. It's important to kind of keep that entrepreneurial spirit strong in America, and I'll tell you why. Most small businesses pay tax at the individual income tax rate level. Most small businesses are limited liability corporations, and therefore, they pay tax at the individual rate—or Subchapter S corporations or sole proprietorships. Your mom-and-pop small business is more likely to pay tax at the individual income tax rate. And therefore, when you lower those rates, when you lower all rates, what you're really doing is injecting capital into the treasuries of American small businesses. And the reason that's important is most new jobs are created by small businesses in America.

So when you hear the debate about reducing all tax rates, I want you to remember that a crucial part of this plan focuses on the American entrepreneur and the small businesses. And part of the plan says we're going to raise the amount of money that a small business can deduct on a capital expenditure. In other words, if you buy new equipment right now, you can only deduct up to $25,000. So we're saying you ought to be able to deduct up to $75,000.

Yesterday I—it is clear we've got some small-business owners with us who understand the limitations placed on investment. Well, if that's the case, you're some of the 497,000 small businesses right here in the State of Indiana. It seems like to me you're

a good place to be a small-business owner, which is exciting.

I was yesterday—started in Albuquerque and met a fellow who started his own garage. And he started with two employees, now he's got—I forgot how many he said—a couple of dozen, which is incredibly positive. He said to me, "With the increase on the ability to write off more of my capital investment, I'm going to increase my garage space," which means somebody has got to provide the concrete to pour the foundation; somebody has got to figure out where to buy the metal; somebody has got to make the metal. Then he's going to need some extra employees to make sure the garage space isn't empty.

In other words, what I'm telling you is, is that by encouraging small businesses to invest capital, really what we're doing is we're increasing the ability for somebody to find work. The more people are buying goods and products in our society, the more production there will be of those goods and products, and the more likely is one of your fellow citizens who's looking for work will be able to find a job. This is all about jobs.

And the final aspect of the jobs and growth package is to get rid of the double taxation on dividends. And there are a lot of reasons why we should. First of all, it's fair to tax corporate profits. If a company makes money, it is fair that we collect a tax from that company. It doesn't seem fair to me, however, that if the company distributes a share of those profits to the owners, small and large alike, that we ought to tax the profit again. That's not fair.

As a result of the double taxation, shareholders who receive a dividend keep as little as 40 cents on the dollar earned, which raises the cost of capital. It makes raising capital more expensive, and that's not good for society which is interested in creating more jobs. It doesn't make sense to tax anything twice. It certainly doesn't make any sense to tax anything twice and, therefore, make it harder for somebody to raise capital necessary to expand their business, so somebody can find work.

It is very important, also, to realize the reform aspects of encouraging companies to pay dividends. If you get rid of the double taxation of dividends, more companies will pay dividends.

We just went through a period of time when some of our corporate citizens said, "Invest in my company because I've got an interesting story." I would call that the pie-in-the-sky economic period, you know, "Bet on us. Even though we don't have any cash, we've still got an interesting tale to tell," you know, the new economy. The problem is, the new economy was affected by old accounting practices. And when companies didn't have any money, eventually they went out of business. Well, if you have a dividend-paying society, you can tell an interesting story, but you also better have enough cash to back your story up. A dividend society is one that says, "We've got a good story, but we also have got enough success where we can distribute cash to the owners on a quarterly basis." A good corporate reform will be to encourage companies to back up their performance with cash distribution to the owners.

And who are the owners? The owners are from all walks of life. I've just told you we're an ownership society. If you have a pension plan, you're a—you own stock. If you have a—if you're a retired teacher, you're interested. There's 177,000 seniors in this day who rely upon dividends to meet their financial needs.

Oh, I've heard the rhetoric coming out of Washington: "This is only for rich people. That's why he's doing it." Well, Janet Herke I met today. She has six grandchildren. Every month she sets aside $100 to help her children eventually pay for her grandchildren's education. She is a responsible citizen. She's retired. She relies upon dividend income. Getting rid of the double taxation of dividends will save this good lady $1,800 a year, for the out-years as well. And the savings mean this to her—this is what she said, "I want to pass along what I've invested and save for my kids and grandkids, because they are the most important things in my life." Now, you tell Janet that this getting rid of the double taxation of dividends is only for rich people.

I met with Wilbur and Doris Richards. I met with the Richards. Wilbur is an Army veteran. He helped liberate World War II—

Europe in World War II. Doris worked in local schools here. They worked hard. The proposal would cut their taxes by 70 percent, and at $800 more a year, which would help them pay for health insurance, it certainly eases the pressures that now exist on their life. Wilbur says he gets the most out of every buck. And my tax relief plan would give him and seniors like him more bucks to work with—his words, not mine.

Dena Kerhoulas is here with us. She's the lady who's got the same hairstyle as my mother—[*laughter*]—and sounds just about as feisty. [*Laughter*] Right after September the 11th, here's what she did: September the 11th, 2001, she bought more stocks, because, she said, "I wanted to show them they don't have us whipped." She has stocks that pay dividends, like a lot of seniors do. These aren't overly rich people. They're rich in spirit, but they're what we call average in wealth. She'd save $2,000 a year, money she could use, money that when she spends will help somebody find work.

I met the Grubbs family and the Knights—same story over and over again all across America. Getting rid of the double taxation of dividends will help our senior citizens, and that's good policy.

I proposed an aggressive plan, because I want more people working. I proposed a plan where the—some economists say will add a million new jobs by the end of 2004. We don't need tepid steps in Washington, DC. We need plans that will get this economy growing strong so our fellow citizens can find a job.

There's all kinds of reasons why people don't want to support a strong plan. One of the most—one of the ones you hear the most about is that it will cause a deficit. Let me discuss that with you right quick, if you don't mind. Sure, we're in deficit. We're in deficit. We're in deficit because we went through a recession. I explained to you what the country had been through. The stock market went down starting in March of 2000. That means less revenues coming into our Treasury when people sold their stocks. We went through a recession, which means the economy slowed down to the point where there's less revenue coming into the Treasury. Yes, we're in deficit because we've got less money coming in.

We're also in deficit because I made a promise to the people who wear the uniform of the United States military, "If we put you in harm's way, we will spend what is ever necessary to make sure we win."

We will deal with the deficit. There's a couple ways to deal with it. One way is to raise your taxes, and that's not going to happen. The other way is to do two things. One is to control spending. It's to be responsible with your money. It's to set clear priorities and say to the Congress, "Here are the guidelines. Here's what we expect you to honor," and that is, in this case, no more than 4 percent increase in discretionary spending. In other words, there needs to be fiscal sanity in Washington, DC, and at the same time, have policies which grow the economy so we can get more revenues coming into the Treasury. If you're interested in the deficit, you ought to be supporting fiscal discipline on the one hand and aggressive policies to make sure people can find work on the other hand.

I'm optimistic we're going to make good progress in Washington. I want to thank the House of Representatives for voting on a good plan. It's a good start. And now it's up to the Senate to follow suit. I believe the Senate, when they hear from you, will follow suit. I believe the people in the elected office need to hear from our citizens.

I look forward to signing a good bill, one that will help people get back to work. I look forward to signing a good piece of legislation which will rekindle the entrepreneurial spirit of this country. I look forward to signing a bill that will help America remain strong. And there's no doubt in my mind we will.

I'm confident that the future that lies ahead is a positive future for all our citizens. I'm confident that because of the United States of America, the world will be more free. I'm confident that if we remain strong like I know we will, the world will be more secure. And I'm confident, thanks to the strength and the compassion of our country, the world will be more peaceful. And the reason I'm so confident is I realize that I'm the President of the greatest nation on the face of the world.

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

NOTE: The President spoke at 10 a.m. in the Pepsi Coliseum at the Indiana State Fairgrounds. In his remarks, he referred to Gov. Frank O'Bannon and State Attorney General Steve Carter of Indiana; Mayor Bart Peterson of Indianapolis; and former President Saddam Hussein of Iraq.

Remarks in Pierce City, Missouri

May 13, 2003

Thank you all very much. It is my honor to be here. Can you hear me back there? It is my honor to be here with some of our country's finest citizens. I am sorry I'm here under such circumstances.

I first want to thank the mayor for his hospitality and helping to arrange my visit. I want to thank the good Father for opening up this place of worship, this house of God, to help those who suffer. I find it—and I hope you do—uplifting that in the midst of tragedy, amongst people who have lost their homes, in some cases their loved one, or their businesses, lost their possessions, that we gather to comfort each other and to find help in the house of the Lord, because it's with His strength and His prayer that you'll find the sustenance to go on.

One of the things that struck me as I worked through the crowd here, shaking as many hands as I could, was that the people here who have been affected by the storm are ready to move on, are ready to pick up their lives, and are ready to do everything they can to convert this tragedy into good. Folks want to rebuild their—the feed man told me, he said, "I got wiped out, but I'm starting tomorrow to rebuild my company." And there's no doubt you will, because there's a lot of people that want to help you.

And for the volunteers who are here, the people who have taken time out of your lives—the Red Cross or the Salvation Army or the church groups or the USA Freedom Corps people—I want to thank you very much for helping your neighbor in need.

I'm asking the FEMA people and the Governor and the mayor and everybody, I said, "Is the Government moving fast enough?" That's the question that I need to know. And some of you said, "yes," and some of you said, "no." And for the ones who said, "no," we will do everything we can to get you the—what you're owed. We'll process the paperwork as fast as possible, and if you qualify for help, they'll get you the help. That's what we're supposed to be doing.

So one of my visits—one of the reasons I'm visiting here is to ask the question, you know, to people. Because if there's—moving too slow or people are saying one thing and the other thing is not happening, now is the time to find out.

But the other real reason is to let you know there's a lot of Americans who are praying for you. A lot of people around this country saw the devastation—they didn't see what I've seen, because they—you can't tell how bad it is until you actually come here to Pierce City and see it yourself. You can't realize what it's like to see a tornado go right down the main street of a town and just wipe it out. It's hard to envision. But a lot of people know you're suffering, and a lot of people are praying for you, and a lot of people care for you. And a lot of people wish you all the best.

May God bless you.

NOTE: The President spoke at 2:05 p.m. in the parish hall at St. Mary's Catholic Church. In his remarks, he referred to Mayor Mark Peters of Pierce City. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

Remarks and an Exchange With Reporters in Pierce City

May 13, 2003

Devastation in Pierce City

The President. This is this man's business. They built their business last year. They had a family restaurant. They had a family restaurant. The children worked in it. And their lives got turned upside-down in one minute. This whole town, this whole street got wiped out. The tornado just came straight down the street.

And the only thing I can tell a man who has lost it all and a lady who has lost it all in one moment is, is that a lot of people are praying for them, and our Government is