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peoples of the entire region. Accordingly, the United States believes that all states in the region have special responsibilities: to support the building of the institutions of a Palestinian state; to fight terrorism, and cut off all forms of assistance to individuals and groups engaged in terrorism; and to begin now to move toward more normal relations with the State of Israel. These actions would be true contributions to building peace in the region.

Mr. Prime Minister, you have described a bold and historic initiative that can make an important contribution to peace. I commend your efforts and your courageous decision which I support. As a close friend and ally, the United States intends to work closely with you to help make it a success.

Sincerely,

George W. Bush

NOTE: An original was not available for verification of the content of this letter. The letter was made available by the Office of the Press Secretary on April 14 but was not issued as a White House press release. The Office of the Press Secretary also made available the text of Prime Minister Sharon's letter to the President.

Memorandum on Waiver and Certification of Statutory Provisions Regarding the Palestine Liberation Organization

April 14, 2004

Presidential Determination No. 2004–28

Memorandum for the Secretary of State

Subject: Waiver and Certification of Statutory Provisions Regarding the Palestine Liberation Organization

Pursuant to the authority vested in me under section 534(d) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2004, Public Law 108–199, I hereby determine and certify that it is important to the national security interests of the United States to waive the provisions of section 1003 of the Anti-Terrorism Act of 1987, Public Law 100–204.

This waiver shall be effective for a period of 6 months from the date hereof. You are hereby authorized and directed to transmit this determination to the Congress and to publish it in the *Federal Register.*

George W. Bush

Remarks in Des Moines, Iowa

April 15, 2004

Thank you for having me. Please be seated. Thanks for the warm welcome. Thanks for the warm weather. [*Laughter*] I really am glad to be able to come and talk to you about how to make sure people have a chance to make a living. That's what we're really here to talk about: How can people put food on the table; how can communities be vibrant and grow.

Chuck Grassley said I appreciate rural America. I do, so much so that I call Crawford, Texas my home. That's rural America. I think we've got about 661 people—until I arrive. [*Laughter*]

I appreciate the Federal Home Loan Bank of Des Moines for hosting this. I know we've got people from States other than Iowa, like Missouri, Minnesota, South Dakota, North Dakota. Glad you all are here. Thanks for coming by and giving me a chance to visit.

My attitude about rural America is—from the President's perspective—is that if we can make the economy strong, rural America will benefit. It's hard to talk about the health of rural America unless the overall economy is growing. I mean, it's nice to have kind of visions about how to bring development to your community, but if the economy is stagnant, it's hard to get there.

So what I want to do today is talk about the economy of the United States and how we can leave lasting prosperity, to make sure that you understand what I think the role of the Federal Government is, which is to create an environment in which the farmer and rancher can make a living, in which the small-business person can realize their dreams. Because the truth of the matter is, when you really think about rural America, rural America's vitality depends upon the

health of the agricultural sector. The economy of our rural America depends upon the vitality of small businesses.

Sure, you get some big businesses to move into your communities, and that's good, and I'd work hard to try to recruit them if I were you. But true economic vitality, the vitality that will last beyond just an economic spurt is one that recognizes the importance of the entrepreneur and the farmer and the rancher.

I want to thank my friend Chuck Grassley for introducing me. I've spent some quality time with Senator Grassley here in Iowa. You might remember the 2000 caucuses. He showed me a lot of the State—by car. [*Laughter*] I'll never forget driving the backroads of Iowa, and Chairman Grassley—I call him "Mr. Chairman"—he's a powerful guy, so I put a fancy title to his name—the Chairman says, "I know that farmer there." And then he'd go by and say, "I remember meeting that farmer there." He knew every farmer on the back roads of Iowa. No wonder he's such a popular person in this great State. He's doing a great job, by the way. I appreciate working for him. He is—he brought some of those good Iowa values to the Congress. And Mr. Chairman, it's great to be with you, and I want to thank you for your continued leadership.

I also had the honor of meeting Randy Newman, and I want to thank Randy for being the chairman of the FHLB board of directors. I want to thank the members of the board who are here as well and associate members from around the Midwest.

I had the honor of landing at the airport and also being greeted today by the other Senator from the State of Iowa. Senator Tom Harkin is with us. Mr. Senator, thank you for your hospitality and your graciousness for coming out to the airport. I'm pleased you're here.

I thank Congressman Tom Latham as well as Congressman Leonard Boswell. Boswell made sure I knew that I was in his district. [*Laughter*] I want to thank both Members of the Congress for serving your State.

I want to thank—I'm a member of the ex-Governors club. Those are those of us who are fortunate to be Governors of a State. I'm a member, proud alumnus. I see another member of the ex-Governors club with us today. That would be former Governor Bob Ray of the State of Iowa. Good to see you, Bob. Thank you for coming.

Also when I landed, I met an interesting person named Sarah Sindlinger. Sarah is right there. You don't know Sarah yet, but you're about to find out about this remarkable American. She is a 16-year-older. She has volunteered over 150 hours of time. See, she's a high school junior, and she said, "What can I do to make my community a better place?" And instead of just asking the question, she's actually acted on the question. She has volunteered in a daycare center. She has volunteered in a library. She understands the value of mentoring. She has worked in a hospital. She's been a best buddy to a fellow student in the special education program.

You know, the reason I bring up Sarah is this: There's a lot of talk about the strength of America, and we're strong. We're plenty strong. We're strong militarily. I will keep us strong militarily. We're strong economically, and we need to get stronger economically. But the true strength of the country is in the hearts and souls of our citizens. See, that's the really good strength of America. You know that if you live in rural America. You know what I'm talking about, the notion of people taking time out of their lives to make their community a better place.

Sarah is here because she is a soldier in the army of compassion. She's a part of the true strength of the country. She's a soul who's willing to dedicate her time to love a neighbor just like she'd like to be loved herself. My call to you as you do your work in your community is to continue to rally that compassion to help change America, one heart, one soul, one conscience at a time.

Sarah, I'm honored you're here. Thank you for setting such a fine example, and may God continue to bless your soul and your spirit.

It is nice of you all to welcome somebody from the Federal Government on tax day. [*Laughter*] There's a lot of people filling out their tax—putting in their taxes today. Laura and I put in ours a little early. See, the newspapers wanted to see what I paid. That's just part of the job. [*Laughter*] People expect that from their public servants, and I'm more than

happy to participate in that aspect of public life. People also expect from their public service a wise stewardship of the taxpayers' money. People also expect that we keep the Federal tax burden as low as possible, which was one of my pledges to the American people. I take that responsibility seriously. And I want to thank Senator Grassley for his help in reducing the tax burden on the American people.

Tax day is something most people really don't look forward to. But this year, it's a little better because of the tax relief we delivered, and the economy is stronger for it.

I mentioned small businesses as a part of the strategy to make sure rural America is strong. A major component of the tax relief was aimed at our small businesses. See, most small businesses are Subchapter S corporations or limited partnerships and, therefore, pay tax at the individual income-tax rate. And therefore, when you heard the fact that we lowered individual income taxes, I want you to think about more money in the pockets of small businesses so they can expand and hire new people.

A lot of the tax relief that we passed was aimed at our seniors. By reducing the taxes on dividends, we've helped our seniors. You've got seniors living in rural America. It's good that they have a little more money in their pocket.

A lot of the tax relief we passed was aimed at people with children. We've raised the child credit to $1,000. Some of the tax relief we passed was trying to mitigate the effects of the marriage penalty. It didn't seem like—make much sense to me that we would tax marriage in a country where we are trying to encourage marriages and stable families.

The tax relief we passed is driving—helping to drive the economy forward, and it came at about the right time—just the right time, for that matter—because we're emerging from a period of incredible economic challenges. Rural America has been challenged economically, just like the rest of America has been challenged economically. We went through a recession. The recession hurt. It hurt in all sectors of our country. Recession means that we had negative growth for three quarters. Negative growth meant it was hard for people to find work. Negative growth meant it was hard to be optimistic about the future. And yet, we overcame that recession. I will argue that the tax relief made the recession one of the most shallow in American economic history.

Right after we started recovering from that, we got attacked. The attacks hurt us all. The attacks on America hurt every single American. The attacks on America hurt our economy. We lost nearly one million jobs in just 3 months after September the 11th, 2001. Some of those jobs were in rural America.

It also affected our way of thinking about the world. We grew up thinking that oceans could protect us. We learned a horrible lesson on that day, that we were no longer immune from threats that might be gathering overseas. I vowed that day that I would take whatever action was necessary to stay on the offensive to protect America. We'll do everything we can at home to protect us. But the best way to secure the homeland is to bring the killers to justice, one person at a time. And that's exactly what the United States of America will continue to do.

We're a tough country and a compassionate country. We refuse to be intimidated by the terrorists. It took us a while to kind of figure out what was going on, but when we figured it out, this country started moving forward again. See, the people of this country are resolute, and they're strong. It doesn't matter whether you live in urban America or rural America; there's a wonderful strength, the fiber of the people of America.

Then we found out another challenge to our economy, and that is there were some people that forgot to be responsible citizens and didn't tell the truth. They were CEOs that betrayed the trust. And that affected us. It really did, when you think about it. It created a challenge that we had to overcome. I appreciate the Members of Congress from both political parties working together to pass good reforms that made it very clear that this country will not tolerate dishonesty in the boardrooms of America. I think the American citizens now believe that the laws we passed are beginning to work. After all, you're looking on your TV screens and seeing some of those who betrayed the trust being held to account.

And then, as you know, I made a difficult but necessary decision to help defend America and make the world more peaceful. One of the lessons of September the 11th is anytime an American President sees a gathering threat, we must deal with it. We must take it seriously. I saw a threat, based upon intelligence, in the form of Saddam Hussein. The Congress, by the way, looked at the very same intelligence and saw a threat. The United Nations Security Council looked at the same intelligence, and it saw a threat as well.

I went to the U.N., as you might remember, and said, "There is a threat. September the 11th changed—Saddam Hussein is—must be viewed in a different light, at least from the American perspective, than before. He's a serious threat to us." I based that upon the intelligence but also upon the knowledge that he had used chemical weapons against his own people, the knowledge that he was paying for suicide bombers to go kill, the knowledge that he hated our country. So I called the United Nations—at the United Nations, I called for them to collectively deal with the threat, and they agreed to, in a unanimous decision. They said, "This man is a threat." They passed a Security Council resolution that said, "Disarm, or face serious consequences."

Now, anytime an American President says, "Disarm, or face serious consequences," the American President better mean it. When the Commander in Chief speaks for the country, I believe the person ought to speak clearly and mean what he says. And so I acted on those sentiments as well. I said, "Mr. Saddam Hussein, disarm, or face serious consequences." He chose not to. He defied the world again. Given the lessons of September the 11th, I was faced with a choice, either to trust the word of a madman, a tyrant, a dictator, or defend the country. Given that choice, I will defend America every time.

That decision created an economic hurdle that we had to cross, because marching to war is not conducive for economic growth and vitality. The lenders who are here know what I mean. I mean, it's kind of hard to lend into an environment when you know the country is preparing for war. War is negative, not positive. We're now marching to peace. But that march is tough; it's hard work.

These last weeks have been tough weeks for America. We've encountered—I say "we"; it's just not American forces. It's coalition forces and innocent Iraqi citizens, by the way, have encountered serious violence in parts of Iraq. The different factions, former Saddam loyalists, some foreign fighters, Sadr, who is a radical cleric, and his gangs have a common goal. They want to stop the march to democracy in Iraq. The idea of a free society really bothers them. Freedom is something they can't stand, and they want to run us out of Iraq. That's what they want to do.

I—we're not going to be run out of Iraq. We're not going to let a ruthless power grab affect that which is important. See, it's in our national interest that Iraq be free and peaceful. It's in our national interest, the long-term interest of this country, that right in the heart of the Middle East there be a free society, one that will help spread hope and opportunity. See, I believe free societies are peaceful societies.

I also am motivated by this American value, that says freedom is not our gift to the world; freedom is the Almighty's gift to every man and woman in this world. That's what I believe. And I believe—Iraq will either be peaceful and democratic, or it will be a source of violence, a source of instability, a source of hatred, and a threat to free societies.

I'm proud of those who have served our Nation and are serving our Nation. Our military is doing incredibly good work. They've been given a hard job. They've been given a tough job, and they're performing brilliantly. See, the transition from torture chambers and rape rooms and mass graves and fear of authority is a tough transition. And they're doing the good work of keeping this country stabilized as a political process unfolds.

We saw yesterday Mr. Brahimi from the United Nations begin to lay out the specific strategy necessary to, first, pass sovereignty and then eventually put a constitution in place and then free elections in Iraq. We're moving toward democracy, but the situation on the ground, I readily concede, is tough

work. And we've got good people there working it. And some have paid the highest price of all. Some of the people there in Iraq have made the ultimate sacrifice on behalf of a more stable and peaceful world.

Tom Latham told me about coming from the funeral of Marine Lance Corporal Ben Carman from Jefferson, Iowa. My deepest sympathies go to the Carman family. I know how incredibly difficult it is for them to put their loved one into the ground. Ben Carman's father said this, he said, "He knew that America was in danger"—he, talking about his son, the dad talking about his son—he said, "He knew that America was in danger, and it was time for guys like him to step up to the plate." That's what his dad said about his courageous son.

Mr. Carman must know that our prayers are with him and with those of others who have lost a loved one in Iraq and that the mission that his son was on was a noble and important mission for peace and freedom and for the security of America. And we will stay the course in Iraq so that his son did not die in vain.

We've overcome a lot of challenges, when you think about it. Rural America has overcome a lot of economic challenges. In 3 short years, we've been through a recession and, by the way, a stock market correction. That affected people in rural America. We've been through an attack on our country, a national emergency. We've been through corporate scandals. We're making the world more peaceful and secure.

Those are challenges that are hard for any economy to overcome. But this is America. This is a country that's full of vibrancy—vibrant people. The entrepreneurial spirit is strong, and I intend to keep it that way. Tax relief helped. Here on tax day, we can say that by cutting taxes, we helped the entrepreneurial spirit of both urban and rural America.

And the facts bear me out. Economic growth in the second half of 2003 was the best in nearly 20 years. Things are improving. More manufacturers are seeing rising activity than any point in about two decades. Inflation is low. That's good for rural America. Interest rates are low. That's good if you want to buy a house. Homeownership is at the highest rate ever. That's a proud statistic for America to hold up. You know why? Because we want more people owning their own home. An ownership society is a positive society. When people own something, they have a vital stake in the future of our country, whether it be in rural America or urban America.

There was good confirmation last month about the strengthening economy: We created 308,000 new jobs in March, 750,000 since August. That's positive. People are getting hired. People are going back to work. The unemployment rate in Iowa is 4.1 percent. That's below the national average. I'm sure there's pockets of unemployment that are higher than that, but overall, this State's unemployment rate is better than the Nation, which is a credit to the entrepreneurs of the State of Iowa and the entrepreneurs, by the way, of other States here as well. You're doing well, and I appreciate that.

My job is to make sure that the environment is such that you can continue to do well. You see, I'm interested in the lasting prosperity. I want prosperity to be achieved in the out-years, and there is some uncertainty. I mean, look, people are worried about finding work. There are families wondering whether or not their loved one can find a job close to home, because this is a changing economy. It's just different. Some things don't change: We need farmers out there planting the field, although agriculture is different from 30 years ago. We need our ranchers feeling good about things. We need to make sure, though, that this is the best place in the world to do business.

If you're really interested in making sure that people can find work at home, America has got to be the best place to do business. The environment has got to be a good place for people to make a living, is what I'm telling you.

And the first way to do so is to make sure our legal system is balanced and fair. You know, too many lawsuits run up the cost of doing business in America. Frivolous lawsuits are really hard on small businesses, and we need good legal reform. And Congress has got a responsibility, like on class-action legal reforms. We need to get it out of Congress. We need to send a message that we'll have

a fair and equitable legal system, not one that is full of frivolous and junk lawsuits that make it hard for people to find work.

We need less regulations. We're working on regulatory relief at the administrative branch. Congress needs to work on regulatory relief, too, in the laws they pass. I wish I could say that every single form that people are required to fill out was read in Washington or in Des Moines or anywhere else where there's a statehouse. I don't think so. We need to streamline these regulations. We don't need our small-business people spending enormous amounts of time filling out forms that don't get read.

We also need to make sure that we can help—make sure health care is accessible and affordable. The rising cost of health care makes it difficult for people to employ people. It's hard on small businesses. I'm telling you, it's hard on rural America, and you know what I'm talking about.

So we passed some good laws that allow for health savings accounts, which are an imaginative way to help control the cost of health care for individuals and small businesses and farming families. Congress needs to pass association health care plans that allow small businesses in rural America to pool their risk with other businesses, perhaps in urban America, so that they get the same purchasing power that big businesses do in the marketplace. It's a smart way to make sure that the rural economies stay healthy, so that your small businesses out there are able to find affordable health care.

I appreciate Senator Grassley working with me on Medicare reform in order to make sure health care is available. The Medicare reform package we worked, with emphasis on rural hospitals, made a difference and will make a difference in the health care in rural America. A vibrant rural America must have the ability for people to find health care, and the Medicare reforms are going to help a lot.

As well, I appreciate Congress working on community health centers. These are places where people—low-income people can find primary care so they're not using the emergency rooms of urban or rural hospitals. There's just practical things we can do to make sure that the economy stays strong, people can find work, the rural economies are vibrant, by dealing with health care. I'm not going to allow the health care system to be federalized. I think that would be a terrible mistake to have a Federal delivery of the health care.

We need to make sure we maintain spending discipline in Washington. One way to make sure the economy, the overall economy, grows is there to be wise expenditure of people's money. It's always a battle, of course. Every idea is a good idea. Every idea requires more money. I've submitted my budget, which reduces the deficit in half by 5 years without raising taxes on the American people. It's going to require some discipline, spending discipline. Fortunately, Iowa is represented by Congressman Jim Nussle of the Budget Committee.

And so we will have an interesting battle in this election year about keeping spending down. But I think if the will is right, we can. We can meet our priorities, make sure our soldiers get what they want, make sure the homeland is defended without busting the budget.

To make sure the economy continues to grow and rural America is healthy, we need an energy plan. We need to get sound energy legislation to my desk.

If you're a businessperson thinking about hiring somebody or wanting to start a business and you're worried about getting electricity, you're not going to start your business. If you're somebody who's a manufacturer in the State of Iowa or Missouri, Minnesota, the Dakotas, and your energy supplies are disrupted, your price of natural gas goes too high, or you're worried about the reliability of electricity, you're not going to be in a mood to expand your business.

We're hooked on foreign sources of energy right now. The country needs to change its attitude. Of course, we've got to encourage conservation—that's important—and use new technologies. In my judgment, we ought to open up lands for exploration for natural gas. We can do so in an environmentally friendly way, to make us less dependent on foreign sources of energy.

We need to continue to promote clean coal technology so we become less dependent on foreign sources of energy. We need to use that which we grow right here in places like

Iowa to make us less dependent on foreign sources of energy. That's why I've worked with the Senator on ethanol, which I think is an important ingredient, an important part of making sure that we have a modern energy plan as we go into the 21st century. Let's grow it, instead of depending upon foreign sources to provide it. I hope I can get an energy bill to my desk. It will be good for rural America if I do so—when I do so. Let me be optimistic.

Another thing that's important for rural America is to be confident in our trade policy. There's a lot of talk about economic isolationism in Washington right now. That means throwing up barriers to trade. That will be bad for rural America. It's not going to happen on my watch. I will resist that mightily, because I believe that when you're good at something, you ought to promote it. We're really good at growing things, and we ought to be selling things that we grow everywhere around the world. We're 5 percent of the world's population. Why don't we sell to the other 95 percent, as opposed to walling ourselves off. Good economic development policy in rural America depends upon our ability to open up markets for products made in rural America, products grown in rural America.

I'll tell you something really interesting—first off, let me take a step back. Many Presidents of both parties have made the decision that America's markets should be open. That's good for the consumers. When you have more choices to make, it's generally good for consumers. It helps with price, and the more competition there is for your demand, the better selections you will have at a better price. That's just how the markets work.

In return, countries haven't reciprocated. They haven't opened up their markets as generously as we've opened up ours. And so the choice we have to make is, do we retaliate by closing ours, and therefore, they keep theirs closed, or do we work to open up other markets? I've chosen the latter route. See, "Just treat us the way we treat you," is my message when it comes to foreign trade. "Our markets are open for you. You open up our markets to your consumers—your markets to our products."

And it's beginning to work. And if you ask any farmer, they know what I'm talking about, because farm income is at a record level in 2003, much of it thanks to the ability for our farmers to export into other markets. And it's important to keep those markets open. It's important to make sure that we're confident about our trade policy, not pessimistic, not willing to fall prey to the false hopes of economic isolationism. Economic isolationism will hurt rural America, and it's not going to happen.

We'll be tough when we have to, to make sure we're treated fairly. I filed the first WTO case against China over unfair tax burdens it gives to its semiconductor makers. In other words, when we see inequity, we'll file a complaint; we'll take people to the court. We just want to open the fields. We just want to be treated the exact same way we treat them.

The interesting thing that happened last month is that America hit an alltime record for exports. And that's positive news, positive news throughout the country. The reason why—you know why? It's because we produce the best products. When it says, "Made in the USA," they're the best.

One of the great challenges we have is to make sure our workforce is trained for the jobs of the 21st century, make sure people growing up in rural America have got the skills necessary to become employed in the jobs that will be available as we move into the 21st century. The Workforce Investment Act needs to be reformed in a positive way, so that people are trained for jobs which actually exist.

And one of the great strengths of our country is the community college system, and it needs to be utilized in an effective, smart way, to combine those who are looking for workers and those who want to work with a place in order to learn the skills so they can get hired. That sounds pretty simple, but sometimes the system doesn't work that way. So I've laid out a Jobs for the 21st Century program that really utilizes the community college system in a way that I think is strategically important to make sure people get the skills.

Listen, you hear a lot of talk about productivity. That means one worker can produce more goods or services than before. We want

people to be more productive. And oftentimes the way that that has to happen is through education. There's plenty of ways for people to find money to help with the education. We just want to make sure our workforce training programs are applicable to the 21st century.

As well we've got to make sure you get it right early in the public school system. I mean, you can talk all you want about productivity in workers, but if people can't read, it's a steep hill to climb. And I know in Iowa you do a great job at your public schools of holding people to account, of measuring so that you can determine whether or not your curriculum is working or not. And that's important. It's important in rural America as well. It's important to make sure that you set high standards, you challenge what I call the soft bigotry of low expectations, you expect nothing but excellence for every single child being educated in any public school across the State in which you live.

That's the spirit behind the No Child Left Behind Act, and it's going to make a difference. People are learning to read and write and add and subtract. We've got kind of a flaw in the pipeline in some places, where the accountability hasn't kicked in soon enough. So I've got—we've got some intermediate measures that I'd like for Congress to support me on, so that there is intensive reading and math for junior high and high school students, because we've got to solve these problems early, before they're too late, and make sure that the workforce training programs are relevant.

You know, I think one of the interesting things for rural America is going to be the spread of broadband technology. It's going to really change much of the way that education can be delivered or health care can be delivered. It's an exciting opportunity and an exciting moment for people who live in rural America. The objective of this administration is to make sure that every American has access by the year 2007 and, shortly thereafter, have more than just one deliverer of broadband. In other words, you've got choice. Rural America needs just as much choice as urban America does in order for the consumers to benefit.

I see people nodding their heads as leaders in your communities. This is going to be a fantastic opportunity for you, and the Government's job is to make sure the regulatory environment is such, and the taxing environment is such, that broadband spreads as quickly as possible all throughout the country.

Let me talk about one other way to make sure the economic environment in both urban and rural America remains conducive to job growth and vitality, and that is, the Tax Code has got to be fair. And in my budget, I proposed a 10.7-percent increase to make sure that tax cheaters are found, make sure the IRS gets after those who don't pay taxes, make sure that the system is fair for those of us who do pay taxes. We want everybody paying their fair share. If I'm going to pay it, I want somebody else to pay it too, if they're obligated to pay. And that's why we expect the IRS to be tough, and they need the resources necessary to do so, and we'll provide them.

The other thing we need to do on the Tax Code is there needs to be certainty in the Tax Code. If you're a job creator and you're worried about what the Tax Code will look like next year, it creates uncertainty. See, it's the worry about whether the environment in which you'll be taxed is—creates enough uncertainty so that there's a lack of confidence about expanding the job base. You know, a small-business owner needs to know with certainty what the code will look like, and that's not the way the Tax Code has been structured. The tax relief that we passed about—talked about is scheduled to go away. I can't explain it very well, but that's just the way it happens, tax relief today and not tax relief tomorrow. And we need to do something about it, because there needs to be certainty in the code.

For example, the child credit will go down next year unless Congress makes the tax relief permanent. That means if you've got a child, you're going to pay a tax increase. That's what that means. The marriage penalty will go up. Once again, the Tax Code will make—say, "It's great that you're married, but we're going to penalize you for it." The 10-percent bracket, which has helped millions of low-income families, will fade

away, and I think Congress needs to make it permanent. I think Congress needs to make all aspects of tax relief permanent.

See, I think the uncertainty in the Tax Code is going to make it difficult for us to confidently move out into the 21st century. Now is not the time to be raising taxes on hard-working people. With this economy growing strong and getting stronger, we don't need to raise the tax burden.

I had the honor of meeting some of your fellow citizens prior to coming in here. There's three examples, and I hope these examples will help people understand why I am insistent upon making the tax relief permanent. It will help—you see, I fully understand that when those of us in office talk—we talk about numbers, and we talk about this, and we talk about that, and that theory and this theory—the best thing to do is talk about how it affects people's—the tax relief affects people's lives.

Ted Stuart is with us. He's an entrepreneur. He owns a company called Architectural Arts. They do custom mill and cabinetry work in Des Moines, Iowa. He is what we call a Subchapter S corporation. That means they pay tax at the individual income-tax level. So when you hear "tax on the rich," that's his company. He's part of that "tax on the rich" part.

He is—most new jobs in America are created by small businesses. Seventy percent of new jobs in this country are created by entrepreneurs like Ted. Ted has added 20 workers over the past 2 years. That's a really healthy sign, see. When you've got a guy like Ted who's an entrepreneur, who's willing to add workers, it's a sign that there's a vibrancy. He said that without the tax relief, he wouldn't have hired as many.

See, the tax relief went into Ted's small-business coffers. The individual tax cuts—when you hear that we cut the individual rates, it really helped his business. And with that money, he had confidence to expand. He said taking tax relief away from businesses like Ted's means that small businesses won't be allowed to grow. He said, "It allows us to grow the business more quickly." That's what Ted said when he talked about the tax relief. "It allows us to grow the business more quickly," which means somebody is more likely to find work. Congress should not penalize the entrepreneurial spirit by raising the taxes on Ted.

The Chenoweths are with us, Rob and Marci, and two of their four children, wherever they are. There they are. I can see them smiling. I promised the youngest son there that I wouldn't speak too long. I've already broken the promise, I guess. [*Laughter*] The lad is about to doze off. [*Laughter*]

The Chenoweths saved $2,700 on their taxes this year because of the child credit increase. That's a lot of money for a family of four. A young family of four can use $2,700. It helps them a lot. He said it helped pay for auto bills. With a family of four, you'd better have an automobile that can run. He said it helped them take a trip, which is good. And by the way, when you take the trip, you might go to a motel during the trip, in which case, the person at the motel is—receives some business, which means that the person working at the hotel might more likely keep his or her job. He also put more money aside in his retirement plan at work. He's beginning to do his duty as a citizen to save for his family's future.

The tax relief matters. If Congress does not make the parts of the Tax Code that are set to expire permanent this year, his taxes will go up by $1,300. That's the reality. So when you hear us talking about making the tax cuts permanent, think about the Chenoweths. By not making it permanent, we're taking money out of their pocket; we're making it harder for them to raise their children; we're making it harder for this good family to realize its dreams.

And finally, I met Jim and Ann Sage from Waterloo, Iowa. I remember the time—Chuck and I were laughing about this—during the 2000 caucuses, I was going to give a speech at an elementary school in Waterloo, and it was—they had the heat cranked up pretty high in the elementary school cafeteria. By the time I got there, some people were pretty wobbly. [*Laughter*] And I got up there and started to speak, and a lady dropped out over there. [*Laughter*] About a third of the way through the speech, another one hit the deck. [*Laughter*] I tried to blame it on Senator Grassley, but I was the only one talking at the time. [*Laughter*]

But anyway, these good folks are from Waterloo. They are a ninth-generation farm family—ninth generation, that goes way back in Iowa history. He wants his children to be the tenth generation to farm. It's a great Iowa tradition, and it's a great Dakota tradition. It's a great Missouri tradition among the farmers, a great Minnesota tradition, for families to take over the farm. That's what the Sages want. After all, it's their asset, isn't it? It's their farm. It's nobody else's farm. They ought to be able to leave their farm to who they want to leave their farm to without the interference of the Federal Government.

The death tax is bad for economic development in rural America because it's bad for small-business owners and farmers. We put the death tax on its way to extinction, but it—unfortunately, in the year 2011, it comes back to life. It's time to plan. If you're involved with economic development in rural America, you better be planning about things that will affect economic development in rural America. And one of the things that will affect it is for the death tax to come back to life. It makes no sense for the Federal Government to tax a person's assets twice, once when they're living and making money, and after they depart. The death tax is bad for rural America, and Congress needs to make it extinct forever.

I want to thank our—I want to thank the three folks for joining us here and letting me use their stories as examples of what will happen, what will happen if Congress doesn't do the right thing.

Let me conclude by also talking about a contribution that rural America makes that's important for the future of our country as well. It's the spirit of rural America. I oftentimes talk about the need to change this culture of ours in America from one that has said, "If it feels good, why don't you just go ahead and do it," and "If you've got a problem, blame somebody else," to a culture in which each of us understands we're responsible for the decisions we make in life. And it's changing. The culture is changing in America. A lot of it has to do with the culture of rural America, a culture based upon faith and family.

When I say "responsibility era," here's what I mean. I mean if you're a mother or a father, you're a responsible for loving your child with all your heart. That's your responsibility. I think people in rural America understand that well. I think it's a part of the culture of rural America. If you're in rural America or anywhere in America and you're worried about the quality of the education in which you live, you're responsible for doing something about it, see? Don't hope the faraway Government in Washington solves your problem. Do something about it. Work with your teachers and thank your teachers and get involved so that the quality of the education is what you want it to be.

Of course, you know I'm going to say this, but if you're a CEO in corporate America, you're responsible for telling the truth. That's part of what I mean by ushering in a responsibility era. You're responsible for telling the truth to your shareholder. You're responsible for telling the truth to your employees.

You know, you oftentimes hear talk about neighborliness in rural America, neighbors caring for neighbors. Part of a responsibility era is a neighbor loving your neighbor just like you'd like to be loved yourself. That's part of the responsibility era as well.

Rural America provides such strength to the American culture. It's a part of helping a culture shift to the better, so that America can realize its full potential—every citizen can be hopeful about their future. It's happening. It's happening in this country. And I want to thank those of you who are a part of making sure that the economy is strong in rural America and making sure the spirit of that important part of our country remains vibrant and hopeful and healthy.

We've overcome a lot in America. The reason we have is because the good people of this country are fabulous people—strong hearts, good souls, and hopeful characters.

God bless you all.

NOTE: The President spoke at 12:20 p.m. at the Des Moines Marriott Downtown. In his remarks, he referred to Randy Newman, chairman, board of directors, Federal Home Loan Bank of Des Moines; former President Saddam Hussein of Iraq; Muqtada Al Sadr, Iraqi Shiite cleric whose militia engaged in an uprising in Iraq in early April; and Lakhdar Brahimi, Special Adviser to the U.N. Secretary-General.

The President's News Conference With Prime Minister Tony Blair of the United Kingdom

April 16, 2004

President Bush. Thank you all. Mr. Prime Minister—Tony, as I like to call you—Cherie Blair, thanks for coming. It's great to see you. Laura and I are pleased to welcome you once again to America and to the White House.

Throughout the last century, the United Kingdom and the United States have stood together when liberty was assaulted and free people were tested. And now in this century, our nations see clearly the dangers of our time, and we share a determination to meet them.

Since our two countries shared the loss of September the 11th, 2001, we've joined in a global manhunt for terrorist killers. We've removed the terrorist camps of Afghanistan and the brutal Government that sheltered them. We've enforced the demands of the United Nations in Iraq and removed a dangerous threat to the region and to the world.

We've worked together to end the WMD programs of Libya and bring that country back into the community of nations. We're engaged in difficult and necessary work of helping Iraqis build their own democracy, for the sake of our security and to increase the momentum of freedom across the greater Middle East.

The stakes in Iraq are clear. Iraq will either turn back the challenges to democracy or return to the camp of tyranny and terror. Iraq will either be an example of a region that is weary of poverty and oppression or will be a threat to the region and to our own people.

Our nations face a stark choice as well. Britain and America and our allies can either break our word to the people of Iraq, abandon them in their hour of need, and consign them to oppression, or we can help them defeat the enemies of a free Iraq and build the institutions of liberty. The Prime Minister and I have made our choice. Iraq will be free. Iraq will be independent. Iraq will be a peaceful nation, and we will not waver in the face of fear and intimidation.

The past few weeks have been hard, and the days ahead will surely bring their own challenges. What we're seeing in Iraq is an attempted power grab by extremists and terrorists. They will fail. The extremists will fail because our coalition will not allow Iraq's future to be stolen by a violent few. They will also fail because they are not widely supported by the Iraqi people, who have no desire to trade one tyrant for another.

Many Iraqi leaders are showing great personal courage in helping to build a free Iraq. And we stand with them, and we appreciate their courage. And troops from our countries and other coalition friends are showing great personal courage as they help Iraq move toward democracy, and we appreciate their sacrifice and courage as well.

One of the essential commitments we've made to the Iraqi people is this: They will control their own country. No citizen of America or Britain would want the Government of their nation in hands of others, and neither do the Iraqis. And this is why the June 30th date for the transfer of sovereignty will be kept. This transfer will demonstrate to the Iraqi people that our coalition has no interest in occupation. On that date, the Coalition Provisional Authority will cease to exist, but coalition forces will remain in Iraq to help the new Government succeed.

This week, we've seen the outlines of a new Iraqi Government that will take the keys of sovereignty. We welcome the proposals presented by the U.N. Special Envoy Brahimi. He's identified a way forward to establishing an interim Government that is broadly acceptable to the Iraqi people. Our coalition partners will continue to work with the U.N. to prepare for nationwide elections that will choose a new Government in January of 2005. We thank the U.N. and Secretary-General Annan for helping Iraqis secure a future of freedom. We're grateful that Mr. Brahimi will soon return to Iraq to continue his important work.

A free Iraq will stand as an example to the Middle East, encouraging reform and hope by demonstrating what life in a free society can be like. At the same time, we must also work to end longstanding sources of bitterness and conflict in the Middle East.

Our commitment to freedom and peace in that region requires us to make every effort to help resolve the conflict between