

President said our Nation was confronted with a moral issue as old as the Scriptures and as clear as the American Constitution, and he called on Congress to pass civil rights legislation.

After President Kennedy was assassinated, some wondered if the new President, a son of the South, would carry forward the work of civil rights. Very soon they would know the answer. During the Senate debate on the Civil Rights Act, one of the longest debates in Senate history, President Lyndon Johnson used all his powers of persuasion, and they were considerable. [*Laughter*] No one escaped the LBJ treatment—[*laughter*]—not Senators, not their staffs, not even their families. It is said that when President Johnson called reluctant Senators at home and a child answered, he would say, “Now you tell your daddy that the President called.” [*Laughter*] “And he’d be very proud to have your daddy on his side.” [*Laughter*]

It was more than the force of Johnson’s personality that helped win the day; it was the force of President Johnson’s conviction on behalf of a just cause. As a young man, he’d seen the ugly effects of discrimination. As President, he was determined to fight it by law, regardless of the political risk. One Southern Senator warned him, “It’s going to cost you the election.” He replied, “If that’s the price I’ve got to pay, I will pay it gladly.”

Lyndon Johnson is known to history as the President who championed and signed the Civil Rights Act. And we recognize and remember the contributions of this strong Texan and great American. And we’re honored to have his daughter, Luci Baines Johnson, with us today. We’re honored you’re here. Thanks for coming. I appreciate you coming.

We also remember the legislators of both parties who worked tirelessly to bring the bill to passage, in particular, Senators Mike Mansfield of Montana, Senator Edward Dirksen of Illinois, and Senator Hubert H. Humphrey of Minnesota. When it mattered most, these principled men rose to the responsibility of their time, and our Nation honors them today.

After the Civil Rights Act became law, the change was felt immediately all across America. In 1964, Dale Long was a 12-year-old

boy living in Birmingham, Alabama. One day, before the law was passed, Dale and his brother convinced their father to take them to a movie where blacks had to enter through an alley and could only sit in the upstairs balcony. “I could see the look of humiliation on my dad’s face,” he remembers. A few months after the Civil Rights Act, the Long brothers returned to that theater. As they remember it, they were with a friend. “We went to see a James Bond movie,” Dale says, and this time they entered through the front door and sat where they pleased.

The indignity of Dale Long’s first experience at that movie theater seems like something that happened many lifetimes ago. Yet, such experiences are within the living memory of millions of our citizens. These past four decades in American life give witness to the power of good laws to prevent injustice and encourage the finest qualities of our national character.

The Civil Rights Act of 1964 gives all Americans another reason to be proud of our country. The work of equality is not done because the evil of bigotry is not finally defeated. Yet, the laws of this Nation and the good heart of this Nation are on the side of equality. And as Dr. King reminded us, “We must not rest until the day when justice rolls down like waters and righteousness like a mighty stream.”

I’m honored you all are here today. We’ll have a reception on the other side of this beautiful house. Thank you for coming. May God continue to bless America.

NOTE: The President spoke at 4:01 p.m. in the East Room at the White House. In his remarks, he referred to civil rights leader Dr. Dorothy I. Height; Lt. Gov. Michael S. Steele of Maryland; Lt. Gov. Jennette B. Bradley of Ohio; Marc H. Morial, president and chief executive officer, National Urban League; and Louis W. Sullivan, chair, President’s Board of Advisors on Historically Black Colleges and Universities.

### Remarks Following a Discussion With Small-Business Entrepreneurs

July 2, 2004

**The President.** Thank you all very much. Please be seated. Thanks for coming. I am

glad you're here. We're here today to talk about the economic security of our fellow citizens. One of my most important jobs is to help create an environment in which the entrepreneurial spirit flourishes, because I believe that the fact that America is a heaven for the entrepreneur is one of the real strengths of our country. I know that when the entrepreneur feels confident, when the small-business owner invests, it's more likely people will be able to find a job.

I'm interested in people working. I want people being able to go to work and coming home, saying, "I'm doing my duty as a mom or a dad to put food on the table," or "I've got an opportunity to set aside hard-earned money for my child's education." That's what I'm interested in. And one way to do that is to make sure the small-business part of our economy is vibrant, strong, energized, and confident. And I think it is.

The economy of the United States has been through a lot. If you really think about it, it's pretty remarkable to be able to stand up and say to you that our economy is strong and getting stronger, that we're witnessing steady, consistent growth. After all, we've been through a recession, a national emergency, a war, corporate scandals. We've got an economy which is changing. The nature of the job base is changing. And all that means it's been a difficult period of time. Yet we're strong. We're getting stronger. We're witnessing steady growth—steady growth. And that's important. We don't need boom- or bust-type growth, we want just steady, consistent growth so that our fellow citizens will be able to find a job and so that the small-business sector will feel confident about expanding.

I was pleased to see that consumer confidence is at a 2-year high. That's an indication that the economy is strong and getting better. When people are confident, they tend to be a part of the decisionmaking process amongst millions of deciders that say the future is going to be better.

I've just met with some small-business owners. I'm going to introduce them here in a second. They're confident. The first thing I listened for was, do they have confidence in their voices? Were they saying to me, "Gosh, I'm confident enough to make

investment"? That's what you listen for if you're somebody trying to be able to report to the economy about the nature of our economy. To a person, to a business, they were saying, "You bet; I'm confident about the future of the country. Therefore I'm going to invest more," which I'm going to talk a little bit about here in a second.

Real after-tax incomes are up 11 percent since December of 2000. To me, that's a vital statistic. Real after-tax incomes—that means that the amount of money in somebody's wallet is increasing. That's what we want to hear, isn't it, particularly if you're somebody who has got a wallet. [Laughter] It's a good sign when people are working and keeping more of their own money. That's what we want.

Homeownership rates are at an alltime high. That's an important statistic, particularly if you believe the more people that own something, the better off our society is. That's what I believe. We want more people owning their own small business. We want more people owning their own home. See, when somebody owns their own home, they can say, "This is my property. Welcome to my home." They don't say, "Welcome to the Government's home." They say, "Welcome to my home," which is an important part of not only consumer confidence but it's an important part of making sure people have an interest in the future of our country. If you own something, you want to make sure Government makes the right decision so you can continue to own it.

And we've got—homeownership rate is at an alltime high. And a particularly important part of that statistic is minority homeownership rates are at an alltime high. See, we not only want—when I'm talking about ownership, I'm talking about ownership for all people, not just a certain type of person. We want ownership to be a part of every neighborhood. And it's happening in America. It's really what makes us such a wonderful country, isn't it, when people from all walks of life can say, "I own something." And this administration will continue to make sure the ownership society, or the ability for people to own their own business or home, remains strong and vibrant.

Manufacturers are reporting increased activity more than any time in 20 years. We've

had concern in the country about whether or not the manufacturing sector would remain vibrant and strong, and the reports are that the activity is as good as it's been over the past 20 years. That's a pretty good sign, isn't it? I was told today—reminded today that the Purchasing Managers Index is now above 60 for its 8th straight month. That doesn't mean anything unless you're somebody who follows all the numbers that comes out of Washington. But what it does mean is it confirms the notion that manufacturing activity is as good as it's been in 20 years. And that's very positive.

Today we got a new jobs report out. The jobs increased by 112,000 in June, which means we've had a total of 1.5 million new jobs since last August. To me, that shows the steady growth. It's one thing to be reporting the GDP numbers are up; it's another thing to be able to say more Americans are working. And that's what we want. We want people going to work. We want people to be able to come home and say, "Boy, how was work—it was great." [*Laughter*] "I enjoy working."

I met two good workers from North Carolina here today. I'm about to introduce the owners of their company. But they were here. They said, "We're working and feeling good about it." And that's really good news for our economy.

I want to thank you all for coming. I appreciate—I can see a lot of members of my administration here. I don't want to try to go through them all except for Secretary Evans, the Secretary of Commerce. He's doing a fantastic job of running a very important Cabinet office of my Government.

But thank you all for being here. I see a lot of familiar faces. I see a lot of entrepreneurs. I see a lot of people who represent entrepreneurs here in Washington. You're doing a fine job of helping the United States Congress understand the proper role of Government is to encourage investment, encourage business formation. And that's why the tax relief package we passed was so important, particularly in the face of a recession and in the face of an emergency. It came at the right time. And I want to thank the people here who worked with us to convince Congress to trust the people with their own

money. That's really what the debate was about, wasn't it: Who do you want to spend your money? Obviously, the Government needs to spend some of it to make sure we've got a military and make sure we fulfill certain functions. But at this point in our economic history, it made sense to let you have your own money to spend so that the economy would grow.

We based a lot of our decisionmaking on the knowledge that if you have more money in your pocket, if there's more after-tax pay in your pocket, you'll demand additional goods and services. And when you do so, in a market economy, if it's functioning properly, somebody will produce the goods or services. And when that happens, it kind of stabilizes the job base and then, eventually, allows for more people to go back to work. And that's what we're seeing—and that's what we're seeing.

Much of the job growth—the stimulus package was aimed at small businesses, because we knew that 70 percent of new jobs are created by small businesses. We were aware of that. And so therefore, when we went to Congress, we said, "As you reduce the tax burden on the American people, make sure you understand the effect that tax reductions can have on the decisionmakers who hire most of the new people—that would be your small-business owner." A vital part of our package was to encourage investment in the small-business sector of our country, and it's paying off.

See, when the small-business owners of America feel confident and feel comfortable in investing in plant and equipment or in new services, it stimulates a vibrant part of our economy. That's what happens. The cornerstone of our policy, if the truth be known, was to trust individuals with their own money and to encourage the small-business sector to grow so people could find work.

And we did so in two specific ways. One, we encouraged investment by allowing for accelerated depreciation. That basically is a fancy word for saying if you buy a plant or equipment or new computer programs, it will really cost you less because you're able to deduct it faster from your income. That's an important part of encouraging people to make investment decisions.

The other thing was, is that we reduced all taxes. You see, our theory was if you pay taxes, you ought to get a tax relief, not if you're a certain—in a certain bracket you get tax relief. If you're going to have tax relief, the best, most fairest way to have tax relief is to say everybody gets tax relief, not just a few people. And that's what we did. Here in Washington, you know, there tends to be class warfare. It says only certain people get tax relief, or if you're labeled "the rich" you don't get tax relief. Our view was, all tax relief was the fairest way to do it.

And all tax relief, the theory of giving everybody tax relief who paid taxes, was especially beneficial to the small-business owners, because most small businesses pay tax at the individual income-tax rate. See, most small businesses structure their companies as what they call Subchapter S companies—you work for a Subchapter S company—or sole proprietorships. And therefore, when you reduce individual income taxes, you're reducing income taxes on small businesses as well. And the more money a small business has in their treasury, the more likely it is they're going to be able to expand and hire, presuming they've got a good product.

Now, Government can't make you have a good product. [Laughter] We can't say to you, "Gosh, we'll help you align what you supply with demand." You've got to figure that out yourself. That's not the role of Government. But once you figure it out, once you've figured out how to meet demand in the marketplace, we can provide incentives to encourage you to expand. And that's what we've done. And that's why the economy is steady and strong. I'm telling you, people are going back to work because the small-businesses sector of America is strong and vibrant and confident.

Ed Kostenski is with us. There he is. Ed, stand up and be recognized. Thank you. He is from Jacksonville, Florida. I said—and by the way, he's got a business called Nationwide Equipment. I said, "Did you start this business?" He said, "Yes, at my kitchen table." It sounds pretty American to me, doesn't it? [Laughter] You know how many small businesses have been started at their kitchen table or in their garage? Thousands by, by the way, people from all walks of life

too. Ed is one who did that. He's got an S corporation—S corp, which means that when he sees the—all rates get reduced, he's really saying, "The Congress wisely reduced the taxes on my business." That's an important part of encouraging Ed to move on. By the way, he said that his—the tax relief we passed in '01 helped him stay in business. And he is—not only is he in business, he's adding employees this year. He's added 14 this year. He'll hire another six before the year is out.

He's excited about his business. If you don't believe me, just go ask him after the meeting. [Laughter] He's moving used Caterpillars overseas. He buys them, refurbishes them, and finds a market and sells them, which means we'd better not have trade barriers. I mean, when you hear people talk about open trade, fair trade, and free trade, think about Ed. He's able to sell machines. There's a need for them. He's able to compete globally, even though he is a small-business owner. A lot of small businesses benefit because our Government has decided to open markets as opposed to close markets. It's an important part, by the way, of making sure America is a good place to do business, is to be confident in our ability to compete, so long as the playing fields are fair across the world, which we'll make them fair. That's part of my job. Ed's job is to meet demand. My job is to make sure he's got the ability to do so with free and fair trade.

He will invest \$300,000 this year. That's a lot of money for a small business. One of the reasons he says he'll do so is because the tax savings on that investment will be about \$50,000. See, that's what—when you hear me talk about incentives, that's what the tax relief plan does. It says, "Ed, invest 300,000 and you'll save 50,000 from what you normally would have." It's called an incentive.

And our American citizens have got to understand the connection between investment and jobs. When Ed invests \$300,000 to build a warehouse and a painting facility, somebody has got to come and build the warehouse. Somebody has got to manufacture the material for the warehouse. Somebody is going to provide the new painting equipment for the painting facility. Investment equals jobs. When somebody invests, like Ed, somebody has to provide the goods that he needs.

And when somebody provides the goods he needs, somebody is working to provide the good he needs. And that's how this economy works. He says, "With that money I don't send back to the IRS, I can expand right here." [Laughter] Those are his words.

What Ed is saying is what a lot of people around the country tell me, is, "I can spend my money far wiser than the Federal Government can." And I appreciate that spirit and that attitude. That's why the tax relief we passed was so important.

The Maxwells are here—Joan and Owen Maxwell. You two know them. See, they're their boss. No, those aren't the Maxwells. The Maxwells are over here. There they are. Thanks for coming. They're from Edenton, North Carolina. They've got their own boat manufacturing company. I asked them how the fishing was off the coast of North Carolina. [Laughter] They manufacture center console boats. That's a pretty neat little business, isn't it? And they said their business is good. As a matter of fact, they're wisely trying to presell their inventories. That's a smart idea.

Demand is up for their boats, I suspect because they produce a good-quality boat at a reasonable price. If you make a lousy-quality boat at a high price, no one's going to buy them. [Laughter] So they're good businesspeople. They've added 20 workers in the last 6 months. They're expanding their business. They're going to invest \$750,000 this year in molds for their boat-building business. Somebody has got to make the molds. There's some worker making the molds that they're buying. And the tax relief plan we passed will save them \$100,000 on that investment.

You see, there's a connection between good tax policy and decisionmaking. They're more likely to purchase \$750,000 worth of molds when they realize they have \$100,000 worth of savings in so doing. And that's why it's important for our citizens to be able to draw the connection between tax relief and decisionmaking that leads to more jobs.

One of the interesting things the Maxwells have done—and I really appreciate this—is that they have teamed up with a local community college to devise a course to train them for people coming into their industry,

the boat-manufacturing industry. That's a wise, wise use of a very important community asset, which is the community colleges.

I've met some people in North Carolina who, because of the changing economy, had to go from the textile industry to the health care industry. A lot of people in North Carolina used to work for textiles and are looking for new work. And, wisely, the health care industry has used the community college system to train people—for really good jobs, by the way.

Now, the person is going to have to want to be trained. But the community college and the local businesses have to provide the curriculum. Government, by the way, helps pay the salary in a lot of cases. And it's a wise use of taxpayers' money, and it's a wise use of local taxpayers' money, to provide training for people so they can find work.

One of the real bottlenecks we're going to have in America as our economy changes and continues to grow is whether or not the worker is going to have the skills necessary to fill the jobs of the 21st century. One of the real challenges to make sure that America is the best place to do business in the world, so people will be able to continue to find work, is to make sure our education system functions well. And one way to make it function well is for the Federal Government to work with community colleges and local businesses to devise curriculum to train people for the jobs which actually exist. And I want to thank the Maxwells for being a part of this kind of practical move in education all across the country.

Joan says, "There are a lot of opportunities where people can use these skills. We're literally building our workforce for the future here." That's the way we think in the administration. We're thinking about the future. We're thinking about how to make sure that the momentum that we have developed in the economy not only stays strong in the immediate years, but how is it going to look 10 years from now. So we've got to start planning for the future. We've got to understand the decisions we're making today are going to make it more likely that the small-business sector, the entrepreneurial spirit of America will remain very strong tomorrow.

And part of that is to make sure the education system not only teaches our youngsters how to read, write and add and subtract now, before it is too late, but it's also to make sure that our community colleges are able to put curriculum in place to train people for jobs which will exist.

So I want to thank the Maxwells for being here. I appreciate your spirit, and thank you for hiring people.

We've got—John Biagas is with us. John, thank you for coming—Newport News, Virginia. Newport News, Virginia—John purchased his business in 1997. He took a gamble and said, "I'm going to buy the business from the previous owner." I think he said they might have had a million dollars' worth of sales in 1997. They're over 14 now. That's pretty good growth, isn't it, in a 5-year period of time. This entrepreneur has taken a business that had a pretty good sales base, but he's expanded it 15 times in 5 years. I can't wait to see what you look like 5 years from now, John. [Laughter] By the way, it won't be very good if they raise taxes on you. See, one of the things—if John is thinking about what his business will look like 5 years from now, I can predict to him if we run up the taxes on Subchapter S corporations by raising, for example, the top rate, his business isn't going to look quite as good as it would if—when we keep taxes low.

John is an S corp. In other words, all the talk about running up the top rate affects his business. When you hear them in Washington saying, "We're going to run up the top rate," just remember this is a tax on small businesses. And you don't want to tax small businesses, because small businesses are providing the economic momentum necessary for us to have created 1.5 million jobs since August. We want that job creation to continue to go on.

Raising taxes will make it more likely somebody won't be able to find a job. You know why? Because it affects businesses like John's, that's why. When you start taking money out of John's coffers, it means he's less likely to expand. He is a full-service electrical and general contractor. That's his job. He hired 8 people in the last 2 months. He wants to hire 8 to 10 more this year. That's positive.

I think we're beginning to see a trend here. [Laughter] Small businesses are hiring—8 people here, 10 people there—but it adds up, because there's millions of small businesses all across America. Small business is the cornerstone of the great American enterprise system. Not only that, it's the cornerstone of a hopeful country, isn't it, the kind of country you have where John, who was one of 14 raised in Lake Charles, Louisiana—the youngest of 14, I might add—can go to the family reunion, which I suspect is quite large—[laughter]—and says, "By the way, my business is doing pretty darn good." It's a great American story, isn't it, where somebody who has a dream and is willing to work to realize a dream is able to do so. Our job is to make sure those dreams stay alive—the dreams stay alive.

He'll save \$60,000 in taxes this year on \$350,000 of investment in new trucks. When you hear the investment numbers in small businesses, it is heartening, because, I repeat, when people invest, they create jobs. That's how jobs are created. John says, "The cash we're able to keep in the business helps a lot. It helps us look forward to the future." That's what he said. That's what you want to hear. You want to hear your CEO of a small business saying, "It helps me look forward to the future." You don't want people saying, "Oh, gosh, life is going to be miserable because when we've been able to come through tough times." You want to say, "I'm looking forward." Good policy in Washington always looks forward, not backwards.

I'm going to talk about some things we can do to make sure, as John and others look forward, the environment is encouraging and conducive to economic investment. I just told you one, and that is to make sure the education system functions well. If you're a—somebody trying to hire people and you see that the education system is working well, you'll be able to look forward with confidence, because you'll know you'll be able to fulfill your workers' needs. You can't look forward if you're worried about finding somebody to meet a skill that you need.

Joan Thompson is with us. She was talking about the level of worker—the skill level of the worker she needs. She's an owner in a—thank you, Joan—she's an owner in a—part-

owner of the Minnesota Wire and Cable Company in St. Paul, Minnesota. I say “part-owner”—she’s got nine other family members who own a piece of the business?

**Joan Thompson.** Nine children and both parents—

**The President.** Yes, 11 people, 11 owners. [Laughter] Family-owned business—it’s got a nice ring to it, doesn’t it, and it’s got an American ring to it. There’s a lot of family-owned businesses around our country. And one of the real difficulties for family-owned businesses is the fact that we tax a family’s assets twice because of the death tax. It’s important that Congress understand what the death tax does to capital formation and the ability for the small-business sector to invest.

The—and I say “you tax it twice”—when the Minnesota Wire and Cable Company makes a profit, it gets taxed. And I suspect you pay property taxes at the local level as well, and State taxes. And then when the—mom and dad move on, in many cases, that asset will be taxed again. And therefore, if the asset is illiquid, some people have to sell their business. You can’t pass it on. I believe you ought to be able to pass your business on to whomever you choose without the Federal Government being in between you and the—and those who you designate to own the company.

And so Congress, by the way, needs to hear from small-business owners and farmers and ranchers and—to tell Congress to complete the task we started. We put the death tax on the way to extinction; unfortunately—I think it’s 2011—it pops up again. That’s going to make the year 2010 an interesting year for estate planners. [Laughter] “How do you want to handle this one,” you know? [Laughter] “I think I’ll go ahead and keep on living.” [Laughter] They just need to make the repeal of the death tax a permanent part of the Tax Code. It will be a major part of the simplification of the Tax Code too. I understand it takes up about 30 percent of the Tax Code, which is a real thick book. And it just doesn’t—to me, it’s bad policy. And it’s bad policy for the Thompson family and a lot of other small-business owners around America.

Joan’s business is a custom design—custom wire and cable assembly business.

They’ve got customers with defense contractors and, particularly, health care. She likes to say, “We’re a part of the armies of healers that are all across the country. We’re helping people save lives.” That’s kind of a neat way to frame your business, isn’t it?

And it’s going well. They’ve added 14 workers this year, tax savings of about \$80,000 on \$600,000 worth of investment. I said, “What are you going to invest in?” She said, “Robotics.” It’s pretty interesting to hear a small business say, “Robotics.” I don’t know whether small businesses were saying they were investing in robotics 20 years ago or not, but I bet they are over the next 20 years if the incentives are properly structured, if small businesses are encouraged to invest, if the tax structure is such that it will make it easier for them to survive by making sure Government doesn’t take too much of their money.

She also invests in C&C machines. Everybody knows what they are. [Laughter] Somebody is making it. [Laughter] Somebody is a part of the manufacturing process that is making the C&C machine. In other words, there is a C&C machine maker—[laughter]—that is employing people.

And that’s how it works. That’s how the economy works. I’ve asked these four small-business owners to come and see us, because I want to share with you a couple of things. Let me tell you what she said. She said, “The savings on the tax side gave us the confidence to launch another division in our small business.” We’re talking about investment in America. Investment equals jobs, and people are now confident to make investment because of good tax policy.

The role of the Government is to create a sense of confidence by doing some smart things. In other words, the more money people have of their own money the more confident they’ll be, particularly as this economy picks up steam.

These are great stories, and I appreciate you all coming and letting us talk about your stories. They’re uniquely American stories.

And as we look forward with confidence, we want to make sure that we make good decisions. There’s a couple of good decisions we need to make. One is—a bad decision

would be to raise taxes on the American people. And some of the tax relief is set to expire. And if Congress doesn't make it permanent, that's called a tax increase. And they will be tagged with raising taxes on the American people. They should not raise taxes. We need good, consistent tax policy.

If you're a small-business owner, you want there to be a constant in your life when it comes to planning. You've got too much to worry about—markets, your customer base—and you need to have certainty in the Tax Code. And the Congress needs to know that. And raising taxes creates uncertainty and will make it difficult for small-business owners to plan and invest.

Secondly, health care costs are on the rise, and that makes it difficult for employer and employee. We must not allow the Federal Government to run our health care system in America. What we must do is to put good policy and plan in place, which will connect the patient-doctor relationship and give people choices and decisionmaking powers in the marketplace. That's why I'm such a strong backer of health savings accounts. These can be tailored for small businesses. I would urge every small business in America to look at a health savings account. It's a good way to help control costs, and it's a good way to provide benefits for your workers.

We need association health plans, which allows—small businesses will be able to share risk. And big business are able to get pretty good buys in health care because they're got a lot of employees. They can spread risk across a large number of employees. Small businesses don't have that same ability, unless Government allows them to share risk across jurisdictional boundaries. And that's what association health plans do.

We need tort reform in America. Small businesses are threatened by—if you ask people what affects their confidence in the future, they'll tell you, when they see junk lawsuits or have junk lawsuits filed against them. It threatens their existence. It makes it very difficult for people to plan with confidence. And let's face it, our society is too litigious. There's too many lawsuits, a lot of them frivolous and junk lawsuits. And there is a role for the Federal Government in this. We need to have class action reform. We

need to have asbestos reform. Congress needs to get these bills passed and to my desk.

We need medical liability reform as well at the Federal level. You see, junk and frivolous lawsuits cause docs to practice defensive medicine. And defensive medicine basically means, "I'm going to prescribe more procedure than needed, so that when I get in a court of law, I'll be able to defend myself." And that runs up the cost of medicine, which hurts the patients, and it hurts the Federal Government because the Federal Government pays a lot of money for health care in Medicare and Medicaid and our veterans' benefits. And our budgets are affected by frivolous and junk lawsuits here at the Federal level. Therefore, I think it is a Federal problem that does require a Federal solution. And we proposed such a solution. The House of Representatives passed it. It got stuck in the Senate, because the trial lawyers are powerful in the Senate; that's why. And for the sake of small-business growth and for the sake of having a good economy in the future, we need to convince the United States Senate to pass meaningful and real tort reform. It's an important part—[*applause*].

And finally, if you're a small-business owner, you need to know that you're going to have reliable and affordable sources of energy. There's a lot of concern about the manufacturing sector in America, and there should be. But a manufacturing sector has got a real problem if there are disruptions of energy supply, spikes in energy prices, and doesn't have reliable electricity.

And so my administration recognized this early on. And we knew that if we were dependent upon foreign sources of energy it would create not only an economic security risk but a national security risk. And so we proposed ways to increase conservation. We promoted new technologies that will come into play in the out-years that will make us less reliable upon foreign sources of energy. We recognized that we can explore for energy in environmentally-friendly ways that we couldn't 20 years ago. We promoted new electricity reliability standards. We've done a lot of things. And we proposed it to the United States Congress, and, of course, it's

stuck. They're playing politics with the national energy policy.

But if we're interested in making sure people can find work in America, if we want to be the best place to do business, if we want the entrepreneurial spirit to remain strong, we've got to develop an energy policy that makes us less dependent on foreign sources of energy.

I've told you Ed relies upon trade. He's moving used Cats, used John Deere, and used Case equipment overseas. He said when you look at it, you can't tell it's used, though, because he's got such good workers. [*Laughter*] They take a used piece of equipment and redo it, make it look like new, make it run like new, and sell it like old. [*Laughter*] And as he said, "I am a small-business guy utilizing free trade."

America must reject economic isolationism if we're going to be a confident, growing nation. Listen, we're good at things. Look at old Ed; he's good at something. [*Laughter*] All he needs is a chance to sell it. And if we fall into trade wars because of politics, we will be doing a disservice to the entrepreneur in America. We're good at growing things. Our farmers ought to be selling soybeans everywhere in the world. And that's what we're trying to make sure other countries hear this—hear the philosophy of this administration. "We're opening up our markets. Open up yours." That's what we're telling them.

See, we know what's good for consumers: when people have more choice. If you're a consumer in America and you've got more goods to choose from, you're going to get better quality at a better price. That's how it works. And so we've said—not only have I said but other Presidents have said—Presidents before me have said, "For the good of the American consumer, sell us your goods and services here in America."

And now you've got an administration who is saying, "Since we do that for you, you open up your markets." I told Evans and Zoellick, "When we need to get tough with foreign nations that shut us out, get tough, because all we're interested in is a level playing field." That's what we want. We want our people treated fairly.

You'll hear people say, "Well, the best way to deal with this is to find out ways not to trade fairly, is to isolate us." That would be terrible for small businesses. And so this administration is confident in America because we're confident in Americans. We know we can—we're really good. We're really good at building things and growing things and selling things. And I intend to make sure that they have a good chance to do so, for the sake of American workers.

This economy of ours is steady and strong—it's steady and strong. It's steady and strong, which means people are going back to work—1.5 million jobs since last August. That is steady growth. And it's steady and strong because the American entrepreneur is strong and capable and willing to take risk. The entrepreneur is employing more people. The entrepreneur is investing. And the role of Government is to promote good policy that encourages the American entrepreneur.

And the other thing about the entrepreneurial spirit that is so wonderful about our country is it doesn't matter whether you're the fourth generation to own your business or you're a first-generation American. Either way, you've got the opportunity to say, "This is my business. I own it. I'm going to nurture it and grow it and, therefore, help others to find work." That's the cornerstone of the Bush economic policy. And it's working.

I'm glad you all are here. God bless your efforts, and may God continue to bless our country.

NOTE: The President spoke at 11:08 a.m. in the East Room at the White House.

### **Statement on Signing Legislation To Provide for the Transfer of the Nebraska Avenue Naval Complex**

*July 2, 2004*

Today I have signed into law H.R. 4322, "An Act to provide for the transfer of the Nebraska Avenue Naval Complex in the District of Columbia to facilitate the establishment of the headquarters for the Department of Homeland Security, to provide for the acquisition by the Department of the Navy of suitable replacement facilities, and for other purposes." This legislation will