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George W. Bush

The White House,
July 8, 2004.

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NOTE: This Executive order will be published in the *Federal Register* on July 13.

Memorandum on Delegation of Responsibility Under Section 1523 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999, as Amended

July 8, 2004

Memorandum for the Secretary of State

Subject: Delegation of Responsibility under Section 1523 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999, As Amended

By virtue of the authority vested in me by the Constitution and laws of the United States of America, including section 301 of title 3, United States Code, I hereby delegate to you the functions conferred upon the President by section 1523 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261), as amended (the "Act").

Any reference in this memorandum to the provision of any Act shall be deemed to include references to any hereafter-enacted provision of law that is the same or substantially the same as such provision.

You are authorized and directed to publish this memorandum in the *Federal Register.*

George W. Bush

Remarks in a Discussion at Kutztown University of Pennsylvania in Kutztown, Pennsylvania

July 9, 2004

The President. Thanks for coming. I'll be there in a minute. Please be seated. Thanks for coming. It's an honor to be here in Kutztown, Pennsylvania. Thank you for coming out to say hello. I appreciate it.

If you see some of your neighbors who were lining the road, waving to us in the bus, tell them thanks too. It's great hospitality here in this part of the world.

I'm here for a reason. I'm here to let you know that I want to serve the people of this country for 4 more years. I'm here to let you know—and I have a reason to ask for your help and your vote. I want this country to be safer and stronger and better for every one of our citizens.

I'm also the first to admit that I can't win without your help. So I'm here to ask for your help. I would like for you all—not only am I asking for the vote, I'm asking for you to register your friends and neighbors to vote. And then when you ask—when you register them, you might get them to vote for old George W., while they're at it.

I'm looking forward to the campaign. I'm looking forward to the campaign. I've got plenty of energy to run a race. I know who I want to lead this country, and I'm here to ask for your help.

One good reason to put me back in there for 4 more years is so that Laura will be the First Lady. [*Applause*] Thank you. I married well. What a fabulous woman she is. It's been a fantastic experience to have her by my side for 3½ years serving this Nation. She is a—she's come to know what I know, that we can make a difference in people's lives, a positive difference in their lives. Laura has got the capacity to touch people in a way that inspires them. Every time she sees a teacher, she says, "Thanks for teaching." And since she's not here, I want to say thanks for teaching.

She loves books. When I married her, she was a public school librarian. [*Applause*] Yeah! How are all you librarians out there? She didn't particularly care about politics or politicians. Now she's married to one. [*Laughter*] She's doing a great job. And by the way, this is a special day for me. One of our daughters, newly graduate of the University of Texas, is traveling with me. Jenna, thanks for coming. She's already given me good advice. She said, "Dad, change your shirt." [*Laughter*]

Today I want to talk about how to make sure America is safer, stronger, and better. I'm going to talk to some of our fellow citizens here. I'd like to answer some questions, if we have time. This is a little different format than you're used to, as opposed to a guy just sitting there lecturing. So what I try to do is get others involved in the conversation, to help make the points about why I want to be your President.

Before I do so, I want to say thanks to Arlen Specter for traveling with me today. He's on the ballot. I hope he wins. Thank you for coming, Senator. Also, we managed to get old Rick Santorum to come with us as well. I asked him how all his kids were doing. He said, "We only got six." [*Laughter*]

I want to thank very much Congressman Jim Gerlach for being here today. Congressman, thanks for coming. Congressman Todd Platts is with us. There he is. His mother made me some peanut butter fudge. [*Laughter*] She expects me to eat it on the bus ride. [*Laughter*] I don't know. But anyway, tell her thanks for the fudge. [*Laughter*]

I was traveling today with Charlie Dent. He's a State senator from right down the road. I'm glad he's here. And like Charlie, Scott Paterno is running for the Congress. Appreciate you being here. I don't know about these guys with famous fathers. [*Laughter*]

The job of the President is to confront problems, not to pass them on to future Presidents and future generations. The job of the President is to do the hard work so that people can grow up in a society which is a safer society, a stronger society, and a better society.

You know, when I ran for office in 2000, I spent a lot of time in Pennsylvania. And by the way, we're going to do a little better this time than last time.

I never thought I'd be a war President. As a matter of fact, you know, I was hoping I wouldn't be a war President. But the enemy attacked us on September the 11th. It's an event that I will never forget. It is a duty that I will honor, which is to keep America safe.

And there's a lot of people working hard to make sure the homeland is secure. I picked a good man to run the new Department of Homeland Security. You trained Ridge well. [*Laughter*] He's doing a fine job. It's a hard task, when you think about it, to bring all these agencies together in a seamless organization, all designed to help protect the homeland. And there's a lot of really good people at all levels of government who are doing everything they can to do our collective duty, which is to protect you.

And so I want to thank all the first-responders who are here, the firefighters, the police officers, the EMS teams that work hard on behalf of the Pennsylvania citizens. As I tell them, as I've tried to explain to the American people, we've got to be right 100 percent of the time; the enemy only has to be right once. And it's a hard job. The best way to defend America is to stay on the offense, is to use every asset at our disposal and to hunt the terrorists down before they hurt America. And that's what this administration is going to do. I am determined. I am focused. I will not relent in my quest to make sure America is safe and secure.

We must use all our assets, including the United States military. When I got into office, along with the fine Vice President, Dick Cheney, our military was underappreciated and underfunded. We worked with the United States Congress to make sure the military had the resources it needed. And today, nobody can question the skill, the strength, and the spirit of the mighty United States military. And it is my high honor to be their Commander in Chief.

Let me tell you a couple of lessons I learned from September the 11th. We face an enemy which has hijacked a religion. They're not religious people. They've hijacked a religion. Secondly, therapy is not going to work with them. You cannot negotiate with these people. You can't discuss it. The only way to make sure America is more secure is to bring them to justice. Thirdly, I learned about this enemy that they try to find soft spots in the world. They try to find safe havens. They try to burrow in and corrupt a government. They become parasitical. And that's why I laid out a doctrine that said, "If you harbor a terrorist and feed one, you're just as guilty as the terrorist."

Let me tell you something else about the Presidency—one other thing about this job

that I have is that when you say something, you need to say it clearly so people will understand, and you better mean what you say. And I meant what I said, and the Taliban in Afghanistan found out exactly what we meant. Al Qaida no longer has the training bases and the safe haven they had throughout most of Afghanistan. Oh, they try to get in and out all the time, but now we've got an ally in Afghanistan.

And when people ask you about the decision, you remind them that it was more than just upholding doctrine. My decision was more than just routing out Al Qaida. See, I care deeply about the fact that young girls were not allowed to go to school in Afghanistan. I care deeply about the fact that there was a barbaric regime that was so dim in their view of the world that they not only suppressed women; they suppressed young girls. They would not allow for dissent. They did not believe in the ideals we believe in. Today, thanks to the United States and our broad coalition, Afghanistan is free, and they're going to have elections in a couple of months.

Now, we have a duty to defend ourselves—we have a duty to defend ourselves. I believe we also have a duty to work to free people from tyranny.

I also said that—told the American people this, another lesson of September the 11th is that when you see a gathering threat, you've got to deal with it before it materializes. Obviously, the first choice, when I say "deal with it," is diplomacy. The first choice is to try to convince people to come to their senses if they're a threat. And that's precisely why I went to the United Nations. I saw a threat in the form of Saddam Hussein. Who wouldn't have seen a threat? He's the guy who used weapons of mass destruction against his own people. He's a person that harbored terrorists. Abu Nidal was a known terrorist living in Baghdad. Zarqawi, the murderer who still kills innocent Iraqis, received health care in Baghdad after getting wounded in Afghanistan. You don't think Saddam Hussein knew he was there? It was a tyrannical society that he was running.

This was a guy who attacked his own neighborhood. It's a guy who professed hatred for America. He was a threat, see. And I said, "He's a threat." I went to the United Nations and said, "He's a threat." And they agreed with the fact that he was a threat, by a 15 to nothing vote in the United Nations Security Council. See, the world spoke. Not only did* America speak, the world spoke. I looked at the intelligence, Members of the United States Senate looked at the same intelligence and saw a threat. And the United Nations saw the threat. They said, "Disclose. Disarm, or face serious consequences.

See, I think when you say something you better mean it, in order to make the world a more peaceful place. He said—and so what did Saddam Hussein say to the world? He said, "Forget it. I'm not going to—we're going to play games with the inspectors." Intelligence clearly says that he was gaming the system. He wasn't going to disclose. He wasn't about to show the world what he had. Inspectors, like they had for years, were denied access. And so I had a choice to make. I'm the President who was in office during September the 11th. I remember the lessons well. The choice was to trust Saddam Hussein or to make the decisions necessary to defend our country, and given that choice, I will defend America every single time.

It's hard work. We've done hard work before. It's hard work to take a country from tyranny to freedom. It's hard when you've got a society in which people have been brutalized. It's hard to convince them that, you know, "Trust us. Freedom is a good thing." But it's happening. It's happening day by day, and it's necessary work, because in the short term, the best way to protect America is to stay on the offense; the long term, the best way to protect America and others is to spread freedom. We know that free societies are peaceful societies.

It's hard work, but we've done this kind of work before. You know, right after World War II, there were a lot of doubters and skeptics as to whether or not Germany could be rebuilt and become a democracy. You can understand why. They were tyrannical and brutal and gassed millions. People said, "Well, you can't rebuild them." And there was a lot of doubt, and there was a lot of skepticism and a lot of second-guessing of the strategies. And the same in Japan. The

* White House correction.

skeptics were saying, "Japan can't possibly self-govern. After all, they're not Caucasian." But fortunately, the pessimists and the skeptics didn't have their day, did they? My predecessors were strong in their faith for the capacity of all people to self-govern, and as the result of adhering to the values we hold dear to our hearts, today, German and Japan are free, and they're allies with the United States in this war against terrorism.

It is hard work—it is hard work. We will complete our job. Iraq will be free. The Middle East will see freedom in its midst, and America will be better off.

A stronger America is an America where people are working. Now, we've got some citizens here today that will help make my point. Listen, we want everybody working. That's what we want. We want people going to work. We want our people putting food on their table to feed their kids. We want our entrepreneurs to feel like there's—feel so confident about the future that they're willing to invest.

Things are getting better. A President must lead. Right after I got in, we had a recession. That means we're going backwards. It means people aren't working. It means the future looks a little cloudy. Then we had an attack. That hurt our economy. Then we uncovered corporate scandal. By the way, the message out to be clear to everybody in corporate America now that we're not going to tolerate dishonesty in the boardrooms of America.

In spite of all that, this economy is strong. You know why? Not because of Government but because the spirit of the American people. We've got great workers, hard-working people. We've got wonderful entrepreneurs. Our small-business sector is vibrant and strong because of the dreamers who live here in America. And the job of Government is to inspire, is to help. The role of Government is not to try to create wealth, but it's an environment in which people are willing to take risk.

And that's why I was so strong on tax relief. Listen, when your economy is going bad, you want people to have more of their own money in their pocket, because when they have more of their own money in their pocket, they will spend or invest. And when they spend or invest, it means the economy is going to pick up, and sure enough, it has. The numbers here in the State of Pennsylvania are strong. It wasn't all that long ago that people were worried about unemployment here in Pennsylvania. Today, the rate is 5.1 percent, as I understand it. There was 44,700 jobs created in this State since last February. In other words, people are going back to work.

It was great driving through this country. I'm telling you, I love beautiful country; this is beautiful country, the farm country. The farmers are doing well here in Pennsylvania. That's a good sign. It's a good sign when you can stand up and say the farm economy is strong.

Audience member. Come visit our farm!

The President. What do you grow?

Audience member. Corn and—[*inaudible*].

The President. There you go. I may just do that, but when you ask for that, just remember, 400 policemen, 8 buses, an entire press corps—[*laughter*].

No, this tax relief is working. And the thing that is necessary to make sure it continues to work is not to raise your taxes. That's going to be—this is an issue in the campaign, see. You have a person who's willing to lay out a bunch of new ideas that cost a lot of money. And the campaign is just getting started. There's no telling how much they're going to promise by the time this is over. And therefore, you're going to have to ask the question, how are they going to pay for it?

Yes, it's going to be a lot of money. They're going to say, "Oh, only—all we're going to do is tax the rich." It doesn't work that way. You can't raise enough money by taxing the rich to pay for all the programs. So guess who's going to pay? You are. It's the wrong time to be raising taxes on the American people. This economy is strong. It's growing stronger, and we ought not to be raising taxes.

A couple of other points. See, my job is to be thinking down the road. This economy is strong. It's growing stronger. I want it strong 10 years from now as well. And then we need to do some things to make sure that people are comfortable hiring people. We need an energy policy. You got coal in this

State. We ought not to be afraid to use it, and we ought to be using technologies to make sure it burns cleanly. Someday we're going to figure out to use that corn you're growing more efficiently, so you can grow energy on your farm. And so we're spending our research and development money.

See, we got some fuel here at home that we need to use, but technology is going to enable us in the long run to do what we need to do, which is to become less dependent on foreign sources of energy. That's what we need to do.

A couple other points I want to make right quick. We have a changing economy too. I mean, this is a growing economy, and it's changing. And you're going to hear from some people who changed jobs and actually made more money when they changed jobs. One of the things we got to make sure is that we educate people for the jobs which will actually exist in the 21st century. That's why I'm such a big believer in the community college system. I think the community college system really works well because community colleges are available, they're accessible, they're affordable, and they change curricula to meet the changing times. If you got—a business walks in and says that, "We need to hire"—a health care business, for example, says, "We need to hire health care technicians," the community college system is able to design a curriculum to train those folks for the jobs which exist. In order to make sure we're competitive, we've got to be wise about our education policy.

In order to make sure we're competitive, we've got to make sure health care costs are reasonable. You talk to these small-business owners here in America, and they will tell you the cost of health care makes it awfully hard to expand their job base. So I've got some practical suggestions, all of which make sure that the Federal Government doesn't run the health care system. I don't want people in Congress running your health care system.

Health savings accounts—those are tax incentive savings accounts for people to put money aside with a catastrophic health care plan. This is a good idea. This is a new product. One of my jobs is to make sure people know they're available, and people ought to look into them. You ought to look into them, Mr. Businessowner. Association health care plans allow small businesses to pool risk, just like big businesses get to do and, therefore, lower the cost of insurance for small businesses.

But I'll tell you what else Pennsylvania needs to do and America needs to do in order to make sure health care costs are reasonable. You need medical liability reform in this State. You need to make sure—everybody ought to have their day in court. Everybody ought to have their day in court if they get hurt, but these frivolous and junk lawsuits are running up the cost of medicine. They're driving docs out of business. They're making it harder for small businesses to hire new people. I'm telling you, the lawyers in Washington, DC, are blocking progress for medical liability reform.

I want to thank these two Senators for joining me on this important issue. I wish you lived in another State where they had a Senator that was blocking it. You'd let them know, wouldn't you?

I met Roger Schmidt. Thank you, Roger. He's a business guy here. He's about to tell you what he does, at least what his business does. He runs the business. I've asked him to come because I want you to understand clearly what this tax relief has meant for the small-business sector of America.

Most people don't know this, but this is a fact. By far, the vast majority of small businesses pay tax at the individual income tax level. Now, people don't know that, but it's true. See, if you're a sole proprietorship or, in Roger's case, a Subchapter S corporation, your business pays tax at the individual income tax rate. And so when you hear us talking about cutting individual rates, make sure you understand, when you think about it, and your neighbors talk about it, that they understand we're really stimulating the small-business sector when we do so.

Now, why would you do that? Well, 70 percent of new jobs in America are created by small-business people—70 percent. And if one of the things you're worried about is job creation, it's a logical conclusion to say, "Let's stimulate growth in the small-business sector," which is precisely what we did.

Roger, welcome. Thank you for coming.

Roger Schmidt. Thank you, Mr. President.

The President. I just had coffee with Roger down the road. I want you to know I picked up the tab. [*Laughter*]

Mr. Schmidt. Thank you.

The President. No problem. [*Laughter*] It is an election year. [*Laughter*] Anyway, what do you do, Roger?

Mr. Schmidt. I work at E.J. Breneman. We're a 62-year-old highway construction firm working in the eastern United States.

The President. Good. He's a Subchapter S corporation. I've asked him to come because he's one of millions of Subchapter S corporations around America, which means when you pay tax you pay at the——

Mr. Schmidt. The highest rate, individual rate, yes, sir.

The President. That's called leading the witness. [*Laughter*]

Mr. Schmidt. I'm a good follower. [*Laughter*]

The President. You have got—okay, so you hired people this year, have you not?

Mr. Schmidt. Yes, sir. We've put new—eight hires to work this year so far.

The President. Yes. If you have confidence in the future—like, you're a business guy, you have confidence in the future, guess what you do when your business is growing? You hire people. So one of the things I ask when I travel around the country, I ask the small-business owners, "Are you hiring?" It's a good sign when they are. You know, it's not easy to hire people.

Mr. Schmidt. No, sir.

The President. And you hired them, why?

Mr. Schmidt. Why? Because our business is expanding.

The President. Expanding. It's like, they tell me, "Expand, Mr. President." Expand, Roger. [*Laughter*]

[*Mr. Schmidt made brief remarks.*]

The President. Let me stop him there. That's called investment. And when you hear somebody say, "I'm investing," it's important to say, really what's happening is they're creating jobs. You know why? You just heard him say, "I'm buying a new piece of equipment." Well, somebody has got to make the equipment, right? So when Roger says, "We're buying equipment," somebody is producing the equipment he's buying, which means somebody is likely to at least keep a job. And if there's more Rogers around, they may have to add somebody to make more equipment. That's how the economy works.

When he says he's investing, doubling his investment, that investment creates jobs. Not only does it create jobs from the person that he's purchasing the equipment from, he's going to need somebody else to either maintain or drive that equipment.

Mr. Schmidt. Correct.

The President. That's how job expansion works.

And so one of the key ingredients of the tax relief plan was to say to Roger and small businesses all over America, "Not only are you going to keep more of your own money as you make money, but when you make investments, we're going to provide a little extra tax break for you." It's called bonus depreciation. What we're trying to say, good tax policy is, "Feel comfortable making an investment. Here's a little extra in your pocket when you do so." And so the bonus depreciation aspect of the tax plan was equally important to cutting all the tax rates.

Roger, how's your business like? I mean, so you sit around the table; you're saying good future, bad future?

Mr. Schmidt. Right now, Mr. President, we are very optimistic. We'll probably have the best year this year that we've had in the last five.

The President. There you go. Keep working. Keep hiring. Thanks for coming.

Good tax policy affects businesses, but most importantly, it affects families and individuals. You know, we had a big debate in Washington about tax relief. My attitude on tax relief is that if you're going to cut tax rates, you cut them on everybody who pays taxes, not just a few, not those who are the political favored. You say, if you're going to have relief, "Everybody pays. Everybody gets relief." It's the only fair way to do something like that. And it's been effective. It's working. It really is working.

One of the reasons it's working is because—people like Dale and Sharon Stump, who are with us. Thank you all for coming. I had coffee with them as well.

Dale Stump. Thank you, Mr. President.

The President. You do what for a living?

Mr. Stump. I'm a self-employed builder/remodeler for 20 years.

The President. Great. And Mom is a teacher.

Sharon Stump. Yes. I was in the insurance industry for a number of years but retired to be a full-time mom and wife, and we home-school our three children now.

The President. That's fantastic. Thank you for doing that.

The Stumps saved $2,200 in 1903—I mean, 2003. [*Laughter*] That would have been a lot in 1903. [*Laughter*]

Mr. Stump. I'm not that old. [*Laughter*]

The President. They saved $2,200 in 2003. Now, I know that doesn't sound like a lot of money to the folks in Washington, DC, who are talking in huge numbers, but it's a lot to them. That's $2,200 of their own money, by the way, that they get to keep to decide what they want to do with it. You see, my attitude is, once Government sets priorities, people ought to have more of their own money to put in their pocket. I always say—and I believe this firmly—that the Stumps can spend their money far better than the Federal Government can.

What did you spend it on? None of my business but—[*Laughter*]

Mr. Stump. Well, since we're home-schooling, we did purchase some curriculum. We have to do that every year, so we did that. And we also were able to purchase with part of it a property in northern Pennsylvania to——

The President. Okay—landowner.

Mr. Stump. Landowner.

The President. Nothing better. By the way, every day is Earth Day if you own your own land. [*Laughter*]

The reason they got tax relief is we dropped all rates. We created a low—a new 10-percent bracket, which makes sense. We raised the child credit to $1,000 per child. They've got three children. That helps a lot. A guy with children is nodding his head. We reduced the marriage penalty. If one of the things you're trying to do in America is encourage families and marriage, it doesn't make any sense to tax marriage, does it? I just don't understand—"marriage penalty." Why would you want to penalize marriage? We want to be encouraging marriage in America.

These parts of the tax relief are set to expire. This is one of these—they giveth, and they taketh away. And I've been working with the Congress and the Senate to make it clear that they're not—what they're doing is they're taking money out of the Stumps' pocket. That's what they're doing, just as the economy is coming back. If they don't make sure this tax relief stays in place, they're really raising their taxes. They'll have—their tax burden will increase by $1,000 in '05 if Congress doesn't act.

And the reason I've asked them to stand here in front of you, this is a great American story. He's self-employed. In other words, he's taking a risk. Mom stays home and teaches the kids. They're doing their duty as a mom and a dad, which is the most sacred duty anybody has got in America. And here the Government—and the Government is fixing to take $1,000 out of their pocket. And it doesn't make sense.

Thank you for coming. I appreciate you all being here. Good job.

Mr. Stump. Thank you, Mr. President.

The President. We've got the Griesemers with us today. Thank you all for coming. We're proud you're here. Debbie is with us, and Jim. Tell us your story, Jim.

[*Jim Griesemer made brief remarks.*]

The President. I was talking to him over coffee. I had a lot of pretty good coffee experience today—[*laughter*]—except for getting stuck with the tab. Anyway—[*laughter*]—it must have been miserable for you. Here's a guy who is maybe over 40, but barely. And he's laid off, you know. It must be a miserable experience, and he said it was. And then he told me what a joyous experience it was to be in an economy or a part of the world where the economy is strong. He's now working.

Go ahead, put the mike closer. As Debbie says, put the mike up——

Mr. Griesemer. I'm sorry, I missed what you said, sir.

The President. I said you're doing well.

Mr. Griesemer. Yes. Yes, yes.

The President. You're working.

Mr. Griesemer. Yes, at C.H. Briggs Hardware. It's an expanding economy. With that company, it's been tremendous.

The President. Making a little more money now than you were?

Mr. Griesemer. Oh, yes, yes.

The President. Yes, you see, one of the things that's really important is to hear people are making more money. After-tax disposable income—that means money you have in your pocket after tax—has gone up by 11 percent since 2001. See, we want Jim having more money in his pocket. The economy does better. Families do better when you have more of your own money in your pocket.

Debbie, what do you do?

Debbie Griesemer. I'm executive assistant to the president of a manufacturing firm, SFS Intec.

The President. Good. You growing?

Mrs. Griesemer. Yes, it's growing—record sales through the second quarter this year.

The President. Manufacturing firm with record sales—that's a pretty interesting thought, isn't it?

You left because there was a better—you left your old job.

Mrs. Griesemer. Yes. Yes, better opportunity, more responsibility, better—optimistic future.

The President. A little more pay?

Mrs. Griesemer. A little more pay, doesn't hurt.

The President. Look, the reason I've asked them to come by is because it's important for the fellow citizens in this area to understand people who have been laid off are getting back to work. That's what's happening. People that were worried about their future—they can say it, not me.

But thank you all for coming. We're proud you're here.

[*The discussion continued.*]

The President. Marcie Hartman is with us. Thanks, appreciate you. Hey, Marcie, thanks for coming. Tell us your story.

Marcie Hartman. I just recently switched positions to ServiceMaster by Round the Clock. It's a better-paying job. I'm a commissioned salesperson, and obviously, the economy is doing better because I'm getting commissions.

The President. There you go, yes. See, people are—in a growing economy—one of the things that's important for our citizens to understand, in a growing economy, when there's a sense of optimism about the future, when people are investing, new job opportunities come along. People are able to change jobs to embetter themselves. She worked in one job, voluntarily left, I think you told me.

Ms. Hartman. Yes, I did.

The President. That's always the best way—[*laughter*]—and is now making more money.

Ms. Hartman. Yes, I am.

The President. And keeping more money.

Ms. Hartman. No, I'm spending more. [*Laughter*]

The President. Oh, well, that's good for the person you're spending—for the store you're spending it in. That's what we like. That's how the economy works. It's an interesting point she just made. She just gave us an economic lesson, didn't she? She's making more money. Instead of keeping more money, she's spending more money. That's what we want. See, the economy works when she decides, "I've got a little extra money in my pocket. I'm going to demand an additional good or a service." Somebody has got to produce the good or service to meet her demand in the way our economy works.

She made the point about how tax relief works. That's why Congress must make sure they don't raise the taxes on people like this good lady.

Here's your chance. You got anything else?

Ms. Hartman. No, nothing else.

The President. All right, thanks for coming.

A stronger America is an America in which people are working. They're working here. And the question is, how do you make sure they're working not only this year but next year and in the following years. I got a plan to do that. I understand the proper role of Government. And I understand the need to make sure our small-business sector is strong. When you hear them talking about taxing the rich, just remember the lesson we heard today about the Subchapter S corporation. That's who they're taxing. They're going to

be taxing people who are creating jobs, because Subchapter S corporations, small businesses who are sole proprietorships pay tax at the individual income tax level.

Now, I want to talk about a better America right quick, and then I'm going to answer some questions. A better America means every child is educated; every child has a dream. This system that says if your—color of your skin is a certain color or your parents don't speak English as a first language, and therefore, you're going to move them through because they're too hard to educate, is ending in America. I refuse to accept low standards for every child. When you lower expectations, you get lousy results. See, what we're doing is challenging what I call the soft bigotry of low expectations, because I know every child can learn—every child can learn. And so we're insisting on raising the standards.

We've increased Federal money a lot since I've been the President, for mainly Title I students. The key thing—when you hear that you probably cringe. You say, "Well, not only are you doing that, but then you're going to try to run the schools." No, quite the opposite. I strongly believe in local control of schools. I believe the local folks can manage their schools far better than the people in Washington, DC, can.

But here's the thing. For the first time, the Federal Government says, "In return for money, show us whether or not the children can read and write and add and subtract. You, the State of Pennsylvania, design the system on accountability, but show us." We want to know. It seems like a reasonable request. "Can you read at fourth grade? If you can't read at fourth grade, you're not going to read at eighth grade. If you can't read at eighth grade, you've just been shuffled through the system as if you don't count." That's not what I believe. I believe every child can read by grade level in the fourth grade, and I want the schools to show me. That's what I want to see.

That's how you determine whether or not the curriculum being used at the local level is working.

We've got a fantastic reading initiative started here. It says, "We're going to use curriculum that works." It's working. I'm telling you, the test scores are going up all across America—most importantly, for some groups of children that people say, "Well, they could never learn to read," you know, and it's happening. America is going to be a better place because we've got high standards, strong accountability, and local control of our public schools.

America is going to be a better place as well because I think I've got a proper perspective of Government and its relations to the people. The great strength of America is in the hearts and souls of our citizens. That's an important principle which we're trying to help deliver help to people who hurt. See, if you believe that the great strength of America is in the hearts and souls of our citizens, then it makes sense for Government to encourage those loving citizens to help save lives, doesn't it?

I believe America—I know—I don't believe, I know—America can change, one heart at a time. And I also know, amongst our plenty, there are people who hurt. There are people who, you know, totally addicted to alcohol and drugs, who need help and love. There are children whose moms and dads are in prison, who wonder whether or not there is any future for them in America. There are people who are homeless, looking for help. And there's the hungry. And the best way, in my judgment, to heal the hurt is to call upon those who have heard the universal call to love a neighbor just like they'd like to be loved themselves and empower them to do just that, is to surround the lonely with love, is to mentor the children who need help, is to say to the faith-based institutions in America, whether you be Christian, Jewish, or Muslim, "The Federal Government does not fear your works, but we welcome your works. We love your compassion."

We should not ask the question, what is the process involved in providing help? We ought to ask the question, can you save a life? Can you save a life? If you take the alcoholic, you know, sometime a Government counsel can make a difference. But a lot of times it requires somebody to put his arm around him and say, "There's a higher power. And I'm going to help you change your heart, and when you change your heart, you're

going to change your habits." No, Government ought to say, "Are you able to save lives?" And if so, these programs ought to be able to access the billions of dollars we spend on social services. A better America will happen when we understand the proper role between the Federal Government and the true strength of America, the hearts and souls of the American citizens.

And so when you hear me talk about "safer, stronger, and better," that's what I mean. And I know how to get us there. And I'm looking forward to have your help so I can work together with you to make sure the country is safer and stronger and better.

I'm honored you're here. Let me take a couple of questions. I haven't had a press conference in a while. [*Laughter*] Just last week, I think it was. Any questions? Yes, sir.

Senate Report on Intelligence

Q. Mr. President, I recently read, I think yesterday or the day before, in the Philadelphia Enquirer that the—I think it was the Senate Intelligence Committee was going to release a report that highlighted the fact that that CIA had given wrong information on Iraq prior to both you and the Congress. And I was wondering if you might comment on that.

The President. Yes, thanks. I think the—first of all, I appreciate the Senate's work, and I'll tell you why—because one of the key ingredients to winning the war on terror is to make sure that our intelligence agencies provide the best and possible intelligence to the Chief Executive, to the executive branch, as well as to the legislative branch. And so the idea that the Senate has taken a hard look to find out where the intelligence-gathering services went short is good and positive, and I commend the chairman of the committee for doing that.

We need to know. I want to know. I want to know how to make the agencies better, to make sure that we're better able to gather the information necessary to protect the American people. One of the key ingredients and one of the vital ingredients of keeping us safe is to gather the best intelligence we can gather.

And so this is a useful report. There's going to be a lot of talk about reform in Washington, reforms of the agencies. And I look forward to working with Members of Congress to put out reforms that will work. A couple of ideas that I think make sense: One, we need to bolster human intelligence. In other words, one of the best ways to figure out what the enemy is thinking is to get to know the enemy firsthand, I guess is the best way to put it, is to have as much human intelligence as possible, good-quality intelligence and enough human intelligence agents, assets, out there so that we can cover the globe.

Secondly, one of the key ingredients is to use our technologies to listen and look better. And so we've got to always make sure our intelligence agencies are on the cutting edge of change.

And thirdly, there are quite a few intelligence-gathering agencies within Washington, and there needs to be better coordination between the agencies.

Now, having said that, I want—I haven't seen the report yet. I know it's quite critical. It's very important for our fellow citizens to know there's some really good people working hard in our intelligence-gathering agencies, taking risks for their lives, doing the very best job they can. I will remind them that there has been some failures. Listen, we thought there was going to be stockpiles of weapons. I thought so. The Congress thought so. The U.N. thought so.

I'll tell you what we do know. Saddam Hussein had the capacity to make weapons. See, he had the ability to make them. He had the intent. We knew he hated America. We knew he was paying families of suiciders. We knew he tortured his own people, and we knew he had the capability of making weapons. That we do know. They haven't found the stockpiles, but we do know he could make them. And so he was a dangerous man. He was a dangerous man. The world is better off without Saddam Hussein in power. America is safer.

I want to know the truth. I want to know the facts. I appreciate the factfinders working hard, and I want to work to make it the very best system we can possibly have, because we've got a duty to do for the American people. This war goes on. There's a mighty ideological struggle taking place. Remember, it is really—the better way to describe what's

happening is, this is a war against an ideology which stands exactly opposite of what we believe. It's an ideology that can—if you just think, remember the Taliban—it's an ideology that brutalized people because of what they thought. It brutalized people because of how they worshiped. It brutalized people because of their gender. It's the exact opposite of what America stands for.

You see, we believe that you're as big a patriot if you worship the Almighty as if you don't. You have the freedom to do so, and if you choose to worship, whether it be as a Christian, Jew, or Muslim, you're equally as patriotic as your neighbor. That's what we believe. You have the freedom to worship as you see fit in America.

That's the exact opposite of the dim view of the people who are trying to cause us harm. They use terror as a tool. So this is really a ideological struggle where the enemy is willing to use terror as a tool. And they kill innocent life because they know our good hearts break every time we see an innocent soldier die and an innocent citizen die. They know the compassion we all feel. Forget political parties. All Americans grieve when we see a son or a daughter, a husband or wife, go down in combat. We weep when we see that. We care when suiciders bomb innocent children inside Iraq. That's the nature of our soul. And they know that.

And see, they want to use terror as a tool to drive us out. They want us to forget our duty. They want us to get scared and pale in the face of their horrific acts. They do not understand the American people. Yes, we'll weep, but we will never cower in the face of killers and thugs. [*Applause*] Thank you all.

Okay. Anybody got a question? Other than the United States Senators—their questions are always too hard. [*Laughter*]

Yes, sir.

President's Memoirs

Q. Thank you—[*inaudible*]—and I was wondering, there's a lot of talk right now about memoirs being written with the former President. After you are elected in 2004, what will your memoirs say about you, what will the title be, and what will the main theme say?

The President. I appreciate that. [*Laughter*] There is a painting on my wall in the Oval—first of all, I don't know. I'm just speculating now. I really haven't thought about writing a book. My life is too complicated right now trying to do my job. [*Laughter*] But if—there's a painting on the wall in the Oval Office that shows a horseman charging up a steep cliff, and there are at least two other horsemen following. It's a Western scene by a guy named W.H.D. Koerner called "A Charge To Keep." It's on loan, by the way, from a guy named Joe O'Neill in Midland, Texas. He was the person—he and his wife, Jan, introduced—reintroduced me and Laura in his backyard in July of 1977. Four months later, we were married. So he's got a—I'm a decisionmaker, and I can make good decisions.

And so we sang this hymn—this is a long story trying to get to your answer. [*Laughter*] This is not a filibuster. [*Laughter*] That's a Senate term, particularly on good judges. Anyway, the hymn was sung at my first inaugural church service as Governor. Laura and I are Methodists. One of the Wesley boys wrote the hymn. The painting is based upon the hymn called "A Charge To Keep." I have. The hymn talks about serving something greater than yourself in life—I—which I try to do, as best as I possibly can.

The book—I guess one way, one thing to think about it is—one of the themes would be, I was given a charge to keep. And I gave it all my heart, all my energy, based upon principles that did not change once I got into the Oval Office.

Secretary of State Powell

Q. Mr. President, my name is Craig——

The President. Hi, Craig.

Q. How are you? I just wondered, when you defeat your opponent this fall, Jane Fonda's poster boy—[*laughter*]—are you going to be able to keep Colin Powell on your team?

The President. That's going to be up to him. He is a—thank you for bringing up Colin. He is a fabulous Secretary of State. He's done a really good job. [*Applause*] Thank you.

It's really important for a President to surround himself with smart, capable, strong

people. I like being around smart, capable, strong people. I've got a great Cabinet. These are good, decent, experienced Americans who know what they're doing. Colin Powell is one such person. And it's hard work to work in Washington. It's asking a lot for people to serve their country. It's a tough town, and the hours are really long—really long. And I'm really grateful for people who have served our country who work with me.

The other interesting thing about Colin is that he is the kind of person that gives you his honest opinion, and that's what you want. I mean, you want somebody to be able to march inside that Oval Office, "Here's what I think." And I get a lot of opinions, and that's good, because I need to hear them. But you also got to know about me, I can make a decision. And when I make a decision, people in this administration said, "Yes, sir, Mr. President. We're with you all the way." And Colin Powell was such a man as well.

Manufacturing Jobs

Q. Mr. President, my name is Don Snyder. I left the legislature in Pennsylvania 3 years ago to head up a community college in this region.

The President. Well, thanks.

Q. And thank you for the support. My question to you is, the community colleges are certainly trying to provide the workforce training that's so necessary. So one of the things we are working with is the manufacturing industry, and Pennsylvania has always been a leader in manufacturing. Besides the tax policies that you've already enacted that certainly have helped, what is the additional agenda to keep manufacturing jobs not only staying in the United States but expanding?

The President. Yes. First of all, let's start with making sure that the workers are trained to do the jobs which exist. If you can't find a—if you're a manufacturing person, and you can't find the workers with the skills necessary to work at your plant, they're going to go elsewhere. It's as simple as that. That's why not only are we making sure that the community college system retains flexibility, that we restructure our WIA programs, Workforce Investment Act programs, which are way too bureaucratic—we spend too much on overhead and not enough on helping people—plus additional $250 million going to the direct relationship between the community college and those people looking for workers.

Secondly, you can't be a manufacturing society if you don't have good, reliable sources of energy. You ask some of these Pennsylvania manufacturers what it's like to have their electrical supplies cut off, and they're going to tell you it's a lousy place to try to do business. If you can't have reliable electricity and you're running a manufacturing company, you can't compete. And therefore, when I talk about good energy policy, really what I'm talking about is keeping jobs here at home.

The best way to prevent jobs from going overseas is to make sure our manufacturers have got reliable sources of energy. We need to get an energy bill out of the United States Congress. I proposed one 2 years ago. It encouraged more conservation, which makes sense. It encouraged using our own—being able to explore for oil and gas in our own country. I know that makes some nervous. We can do so in environmentally friendly ways. It makes no sense not to do so.

We need to be using coal. We've got ample reserves of coal, but we need to use technology as well, combined with coal. That's why I'm a big backer of clean coal technology. And there are a lot of things we can do, sir, to make sure that the energy—and we need to, by the way, get new rules for the electricity grids in America. I mean, like, these are really old rules, written during the Depression. They need to be modernized so more capital flows in to modernize your electricity grids. The blackout we suffered should be a reminder that we ought to modernize, and that's how you keep jobs here at home.

Thirdly, if the tort laws of America are not changed, job creators are going to say, "I'm tired of getting sued. I'm going elsewhere." There are some practical things. We're good at things here in America, by the way. There's a lot of talk about what they call economic isolationism. That basically says, "We're going to wall ourselves off from the rest of the world." I think it's a big mistake

to think that way. If you're good at something, you ought to be confident about competing.

Now, here's the issue on trade. Presidents prior to me have said, "Let us open up our market to other countries, because it's in our consumers' interest." Think about what I'm saying there. This is what they said. Because if you get more product coming in—in other words, consumers have more choices—a consumer will end up with a better price and better quality. That's how the marketplace works. And so administrations have said, "We'll open up our markets for the sake of the consumers."

Now, the problem has been, is that we haven't said forcefully enough to other countries, "Our markets are open. You open up yours. See, we've opened up ours, so let's make sure yours are open." And that's what this administration is doing. We're filing suits against countries that we think are dumping wrongly in our country. I've made action on the steel industry, because I felt like the steel industry needed some breathing room because of—for competitive reasons. In other words, what we've got to do is to make sure that countries treat us like we treat them, and it will make it more likely manufacturers will be able to compete here at home.

I want to—appreciate your question. Thanks for running the community college system. It's a vital part of making sure people are trained.

Yes, what you got? Let her go. Just yell it out. If I don't like the question, I'll change it. [*Laughter*]

Same-Sex Marriage

Q. I was wondering what your plans are for banning gay marriages in the 50 States?

The President. Yes. He asked about gay marriage. This is, first of all, a very sensitive issue that people need to take a deep breath and debate with the ultimate of respect, for starters. I believe in the sanctity of marriage. I believe that marriage is a—I believe a marriage is an important part of the future of families, the traditional definition of marriage. I think it's—history has shown us that marriage between men and women has served society well, and any redefinition by itself will weaken marriage.

Secondly, this is a subject which ought not be decided by courts. This is a decision which ought to be decided—this is too important a decision to have defined by four judges in a State, say, like Massachusetts. And therefore, I believe the people ought to be encouraged to participate in the process.

Thirdly, one of the interesting issues that we're confronted with here in the country is that if a State decides to redefine marriage, people who were then married in that State can come to a State like Pennsylvania, and Pennsylvania must accept that marriage. Now, that is, right now, protected—what's called the Defense of Marriage Act, signed by President Clinton. But there's a lot of legal experts who tell me that that act is going to be struck down in the court of law, which would then mean that a court could decide, redefine marriage—a court—the people would get married, and they'd come to another State and say, "You must accept me as a married—us as a married couple," which then redefines the marriage in the new State.

Now, this is a sensitive issue that the people ought to decide, and the best way they ought to decide, in my judgment, is to be—is to have a constitutional process go forward that must be ratified by the State legislatures. That's how you get the people involved. And I repeat to you—my own view is, is that if a State—if people decide to—what they do in the privacy of their house, consenting adults should be able to do. This is America. It's a free society, but it doesn't mean we have to redefine traditional marriage.

She's coming right behind you.

2004 Election/War on Terror

Q. As a mother of two, my greatest concern is national security. What is your biggest fear with, if you'll excuse me, a Kerry administration?

The President. No, I'm—that's up to the voters to decide. Thanks for asking that. But my job is to lay out what I am going to do and talk about what I believe. My greatest fear is we're going to get attacked again. That's my greatest fear. And we're just working hard to stop it from happening. I am worried that there's—the enemy watches and sees other parts of the world kind of cower in the face of their barbaric behavior and,

therefore, draw the wrong lessons from it. That's my worry.

And you've just got to know there's a lot of people—I mean, there's a lot of really good people working as hard as they possibly can to uncover any information that would give us an indication of something that might happen, and they're fully prepared to respond. They're ready to make a move.

This is a different kind of war. I remember, right after September the 11th, saying to the American people that this is a different kind of war. This is something that's just beyond our—the way we have thought before about how war goes. First of all, nobody likes war. You just got to know that about me. I love peace. I long for peace. But I also understand the nature of this enemy. And I told the American people that sometimes you'll see action and it will look like things are normal, but beneath the surface will lurk this enemy. And that's just the way it is. And I want the American people to live a normal life. It's my job to worry about it. It's your job to go about your business. If you see something strange, of course, let the local authorities know. But it is a—this is a—we're in this for a while. And I fully understand the fatigue that comes with being told information as best as we know it that something might happen, but it's my duty. I've got to be as open with the American people as I can and realistic in my assessment about the realities of the world.

And I will repeat what I said, then I've got to get on the bus and head on out. But I will repeat what I said to Lancaster. Let me say what I said before about this—about the world we live in. We have a capacity to leave behind a better world. I say "we"—my—our generation, those of us who have been given the responsibility of assuming the duties of a civil society. We have a chance—and we will—leave behind a better world for future generations of America, by sticking to what we believe, by understanding the great power of liberty in societies, of believing that credo that all people, regardless of their faith or the color of their skin, have the capacity to self-govern.

You see—let me end on this note. I understand and most Americans understand that liberty and freedom are not America's gift to the world. Freedom is the Almighty God's gift to every man and woman in this world. We will defend America—we will defend America. We will be unrelenting in our defense of this country, by finding the enemy before they find us. Listen, we want to whip them in Iraq before we have to face them here at home. We want to—but ultimately, we will prevail, ultimately prevail, because of the great values, the great universal values that this country lives by.

Listen, thanks for coming. Thanks for your help. God bless, and God bless America. Thank you.

NOTE: The President spoke at 11:25 a.m. In his remarks, he referred to former President Saddam Hussein of Iraq; Palestinian terrorist Abu Nidal, who was found dead in Baghdad, Iraq, on August 19, 2002; senior Al Qaida associate Abu Musab Al Zarqawi; and Pat Roberts, chairman, Senate Select Committee on Intelligence.

Remarks in Pottstown, Pennsylvania

July 9, 2004

Thank you all very much for coming out to say hello. I'm honored to be here. I'm here to ask for your vote. I'm campaigning because I want America to be a safer place, a stronger place, and a better place.

It's such an honor to be in the great State of Pennsylvania, and it's such an honor to represent the greatest country on the face of the Earth. Thanks for coming out to say hello. May God bless you all, and may God continue to bless the United States of America.

NOTE: The President spoke at 1:41 p.m. A tape was not available for verification of the content of these remarks.

Digest of Other White House Announcements

The following list includes the President's public schedule and other items of general interest announced by the Office of the Press Secretary and not included elsewhere in this issue.