

that the 9/11 attacks were orchestrated between Saddam and Al Qaida. We did say there were numerous contacts between Saddam Hussein and Al Qaida. For example, Iraqi intelligence officers met with bin Laden, the head of Al Qaida, in the Sudan. There's numerous contacts between the two.

I always said that Saddam Hussein was a threat. He was a threat because he had used weapons of mass destruction against his own people. He was a threat because he was a sworn enemy to the United States of America, just like Al Qaida. He was a threat because he had terrorist connections, not only Al Qaida connections but other connections to terrorist organizations. Abu Nidal was one. He was a threat because he provided safe haven for a terrorist like Zarqawi, who is still killing innocent inside of Iraq.

No, he was a threat, and the world is better off, and America is more secure without Saddam Hussein in power.

Let's see—Morgan [David Morgan, Reuters].

Defense Secretary Rumsfeld

Q. Mr. President, given your administration's assertions that it works closely with the International Red Cross, are you dis-

appointed that Secretary Rumsfeld instructed military officials in Iraq to hold a member of Ansar Al Islam without telling Red Cross officials?

The President. The Secretary and I discussed that for the first time this morning, and he's going to hold a press conference today to discuss that with you. I'm never disappointed in my Secretary of Defense. He's doing a fabulous job, and America is lucky to have him in the position he's in. But the Secretary will hold a press conference today, and you might want to ask him that question at his press conference.

Thank you.

NOTE: The President spoke at 10:57 a.m. in the Cabinet Room at the White House. In his remarks, he referred to former President Saddam Hussein of Iraq; Usama bin Laden, leader of the Al Qaida terrorist organization; Palestinian terrorist Abu Nidal, who was found dead in Baghdad, Iraq, on August 19, 2002; and senior Al Qaida associate Abu Musab Al Zarqawi. A reporter referred to the National Commission on Terrorist Attacks Upon the United States (9/11 Commission). The Office of the Press Secretary also released a Spanish language transcript of these remarks.

Remarks to the National Federation of Independent Businesses June 17, 2004

The President. Thank you all. Go ahead and be seated. Thanks for coming. Please be seated. I'm honored you're here. Thanks for coming. Welcome to the Nation's Capital. I'm honored to follow Denny Hastert. He is a fabulous Speaker of the House of Representatives. I enjoy—he is a good friend and a really good leader, and I've enjoyed working with him.

And I've enjoyed working with the members of the NFIB as well. I love to be

in the presence of entrepreneurs. Wait, who's minding the store? [*Laughter*] I think if you look back on your record, you'll find I was an NFIB member in Midland, Texas, way back when. You're 600,000 strong. You have a good voice here in Washington. I want you to know that, and you need to make sure you continue to speak it clearly, because the policymakers need to hear from you about the need for less regulation,

good taxation, and less litigation in order for you to be able to do your job.

I know you know this: You've got friends on Capitol Hill. You have a friend in the White House too. There is a practical reason why I'm your friend. One of the practical reasons is, most new jobs—by far, the vast majority of new jobs are started by small businesses in America. See, I'm interested in our people working. I want the American people to be at work so they can fulfill their responsibilities as mothers and dads. And during a time of slowdowns, which we have been through, it's really important to make sure the small-business sector of the American economy is strong.

And so I'm about to talk about some policies we put in place to help you do your job better. The way I look at it is: What is good for small business is good for America.

We're here at a time of great promise and great opportunity. The economy is shifted into high gear, and that's good news. It's good news if you're trying to make a living. It's good news if you're trying to make a living, and it's good news if you're trying to meet a payroll. [Laughter] Factories are busier. Families are earning more. Homeownership rates—the homeownership rate is the highest ever in America. See, that is good news if you're interested in promoting an ownership society in our country. We want people owning their own business. We want people owning their own homes. You and I know this, that if you own something, you have a vital stake in the future of our country. The more ownership there is in America, the more vitality there is in America, and the more people have a vital stake in the future of this country.

We've got economic challenges. We've got economic momentum, and that's good. Because of the good policies, but more importantly, because of your hard work, because of working to realize your dreams, because of the spirit of the small-business

owner in the country, the economy is strong, and it is getting stronger.

I want to thank Jack Faris for inviting me here. I'm honored to come right around the corner. I appreciate Tom Musser, the chairman of the board. I want to thank Dan Danner. He does all the work. [Laughter] But most of all, I thank you all. I've seen many of you as I've traveled the country. Part of my job has been to sell a pro-growth, pro-entrepreneur economic stimulus plan. And I was able to do so in your presence in different parts of America. And I want to thank you for showing up then and for showing up now. It's good to see you again.

I think every one of you knows full well what this economy has been through, and it's important for our country to remember what we have been through, because we have been through a lot. That's why I'm so optimistic about the future, because I've seen where we have come from.

Audience member. Four more years!

The President. I might as well quit on that note. [Laughter] Let me just remind you where we have been through—what we have been through. When I was the President-elect, sitting in Austin, Texas, I had a group of business leaders come down and see me, including Jack Faris. The universal message from those leaders was this: The economy was in trouble. In early January, when we showed up here to go to work, the economy was heading into a recession. The stock market had been declining. Factories were laying off workers, and these were tough times. And you know it as well as I. It's hard to be a small-business owner during a recession. It's hard to make your payroll. It's hard to fulfill your obligations to your workers when the economy is not growing. I understand that.

We began to recover somewhat, and then the enemy hit us on September the 11th. The attack not only affected our psychology; the attack affected the economy, and the two go hand in hand, as you know. Parts of our economy came to a standstill

right after September the 11th, 2001. Remember, airports were shut down. The stock market closed. We lost nearly a million jobs in 3 months.

And then we began to recover, because of policy and the spirit of America, and then we discovered some of our corporate citizens forgot what it meant to be a responsible American. They didn't tell the truth to their shareholders and their employees. We came together here in Washington, passed tough laws, and made it clear we're not going to tolerate dishonesty in the boardrooms of America. We will hold people to account.

There is no question that we—the economy was affected by recession and attacks and emergencies, the march to war, corporate scandal, but we acted. We acted. I want to thank you for your help. We acted together. We went to Congress and said, "Let's lower the taxes on the American people. In order to get this economy moving, let's make sure people have got more of their own money in their pocket."

See, I believe—I think you may agree with me—that the people can use their money far better than the Federal Government can. And so we cut rates across the board. We said to Congress, "If we're going to have tax relief, let's make sure it's fair. If you're going to have tax relief, let's make sure everybody who pays taxes gets relief." And they listened, fortunately. The good news about reducing the individual tax rates across the board was that it helped small businesses.

You know what I know: Most small businesses pay tax at the individual income-tax rate. Because either being a Subchapter S corporation or other types of structures that, on the one hand, limit your liability and, on the other hand, cause you to pay tax at the individual rate level, about 90 percent of the small businesses across America pay tax at the individual income-tax rate level. And that's important. In other words, if you're interested in trying to get out of recession and recover from

an attack, it's important to stimulate the small-business sector. And the definition of "stimulate," for people out there who are trying to understand—when I say "stimulate," the definition of "stimulate" means more money in your pocket. That's how you stimulate growth. That's how you encourage confidence.

We also helped families by doubling the child credit. We reduced the marriage penalty. I've never understood a society which penalizes marriage. It seems like you want to encourage marriage. *[Laughter]* But we reduced the marriage penalty.

And very important for the small-business owner in America, we put the death tax on the road to extinction. We had an interesting debate here in Washington about whether we needed a death tax or not. My position is, you shouldn't tax a person's assets twice, once while they're living, once when they move on. *[Laughter]* I mean, it's your property. You built your business, and you ought to be able to leave your business to whomever you choose.

And secondly, the people here in Washington must understand that many times, when a small-business owner passes on, the estate must be liquidated, the company must be liquidated in order to pay the burden of the taxes. Many times the asset base is illiquid. There's good capital worth, but they're illiquid. And the taxes are such that people have to sell their business, sell something they've loved, sell something they've tried to build up for the future.

Many moms and dads have got dreams about a—of leaving their businesses to generation after generation after generation. It's become one of the great parts of the American heritage, isn't it—whether it be a small business or a farm. People like that asset base in their own family. And yet the death tax makes it, in some cases, virtually impossible to do so. And getting rid of the death tax is a very important part of making sure the entrepreneurial spirit is strong in America.

We also created new incentives for the small businesses by quadrupling the annual expense deduction for equipment, up to \$100,000, and that's important. See, that's important. It's an important part of stimulating the economy. We say, "Look, we're going to encourage you to invest." And our fellow citizens must understand that when small businesses invest, it means really what you're doing is you're purchasing something that somebody has to manufacture for you. And when they manufacture it for you, somebody is more likely to find work. It has a ripple effect throughout our economy.

The tax plan, that stimulation—the economic stimulation plan we passed was based upon a certain principle. It was based upon my optimism about people making the right decisions throughout our economy. See, I'm optimistic about our future because I've got great faith in the small-business entrepreneurs of America and the workers of America. And the economic plan we put forth to Congress, which they passed, is based upon that great trust and optimism and knowledge about how the small-business sector works and affects the future of the country.

Some looked at the problems—we had a debate here in Washington, of course, and that's good, and that's healthy for democracy. You like debates. You also like to win the debates. [Laughter] Some looked at the problems and offered familiar solutions. They said, "Look, what we really shouldn't have done is we shouldn't have cut the taxes on the American people. We shouldn't let people have more of their own money." It's kind of the old age—it's the age-old argument, "Do you want more Government or more money in people's pockets?" I came down on the side of more money in the people's pockets. Others would have had it that they want to increase the size of the Federal Government. I just don't think that increasing the size of the Federal Government will help you recover from a recession or emergency or corporate scandals.

They said they would—probably best to isolate America from the world. It was kind of a knee-jerk reaction to tough economic times to say, "Why don't we become isolationists, economic isolationists." I've rejected that point of view because that's too pessimistic, as far as I'm concerned, and I'll discuss that in a minute.

In other words, they were quick about pointing out the problems, but frankly, they didn't come up with many good solutions. And in my judgment, there wasn't a better solution than letting people have their money, stimulating the small-business sector, and it's paying off. The policies we have put in place have made sense.

Of course, recoveries don't happen overnight. Tax relief takes a while to have an impact, and people got impatient. The critics got impatient. You know, there was a lot of gloomy predictions around our country. Let me take a look at a few of them with you and see what's actually happened, thanks to tax relief.

We used to hear it said that America was in a jobless recovery. That term seems to have fallen out of use lately. [Laughter] Since August our policies have helped American businesses create 1.4 million new jobs. We've seen 4 straight months of manufacturing job gains. It's a clear sign of a broad and strong recovery. Even after the recovery began, some doubted whether it would really take hold. They predicted what they called a "double-dip" recession: There would be a recession, recovery, and then another recession. Yet in the past year, the economy has grown at the fastest pace in almost two decades. Since last summer, we now have the fastest growing major industrialized economy in the world. And the recession was one of the shallowest in modern American history, thanks to you, thanks to your hard work, thanks to the entrepreneurial spirit being revived.

The critics made a few other predictions. They said businesses and households would not spend their tax savings. Turns out business investment is up more than 9 percent

in the last year. Businesses are investing. They're spending capital. An NFIB survey shows nearly two-thirds of all small firms had capital spending projects in the last 6 months. Households have used their tax relief to help drive our economy forward as well. Consumption remained strong through the rough times and has accelerated since the tax relief was passed.

Some of the pessimists looked at this economic progress and claimed that the American families are still falling behind. Well, they didn't offer much evidence, because, in fact, as our economy has come back, American families are doing a lot better. Higher growth and higher productivity are leading to better paying jobs across America. Families are keeping more of their own money.

Since the beginning of 2001, real after-tax incomes, which are what people earn after inflation and taxes, have increased by 11 percent. That figure matters a lot. Let me see if I can put it in west Texas terms. That means you've got more money in your pocket. [Laughter] And it's your money to spend. You get to decide what to do with it, not the Federal Government.

Turns out when people have more money in their pocket, they make decisions that suit their own needs and at the same time has the cumulative effect of stimulating our economy. It's the millions of decisions by consumers and small-business owners and investors which drives our economy forward. It's not the decisions by bureaucrats in Washington, DC, that creates economic growth.

At every stage of our recovery, people were always looking for a cloud to stand under—or some were looking for a cloud to stand under here. One of my—I read something interesting that I'd like to share with you about an attitude that sometimes can take hold. On the morning after D-day in 1944, the Wall Street Journal ran a headline that read: "Invasion's Impact: Marks Beginning of End of War Economy; New Problems for Industry." [Laughter]

That's kind of an interesting way to look at the liberation of Europe. [Laughter]

The economic—there are modern-day economic pessimists around who are quick to offer dire predictions and complaints. But you know what? They do not offer pro-growth economic policies. They can find the dark cloud, but they can't see the sunshine because they don't know where to take the country and they don't know where to lead.

You can't lead unless you understand the strengths of America. And one of the great strengths of our economy is the small-business sector of our economy, and I intend to keep it strong and vibrant and alive.

According to the NFIB, the small-business optimism has reached a 20-year high at the end of 2003, and that's good. Things are working. In your jobs survey, the last one you had, about half your members were looking to hire. Half your members are saying, "I see a better future, and I need somebody to help me make my business grow." And that's positive news for American workers. It's positive news when the small-business sector feels a wind at its back, where the owners are saying, "I see a better day. Therefore, I'm going to take a little more risk," or "I see a better day. I'm going to help—find somebody to help me make my business work better."

A guy named Mike Baldino from Fremont, Nebraska—he's a NFIB member—he owns Kelly Klosure Systems. They make steel buildings and enclosures. He's a Subchapter S—his company is a Subchapter S. He's a Subchapter S CEO. You know what that means. It means when you lower income taxes at the individual level, it affects his cashflow. He saved \$30,000 last year. He's a small-business guy, has 30,000 more dollars in his pocket. He says he's going to invest. He's going to buy a conveyor system, a new conveyor system. Our citizens must understand that when Mike makes a decision like that and says, "I want to buy a new conveyor system," because

of the tax relief Congress passed, somebody's got to make the conveyor system. And somebody's got to provide the parts for the person who makes the conveyor system. In other words, has a ripple—Mike's decision has a ripple effect throughout our economy. He said this—he said, "I've been dragging my feet. The tax bill gave me the incentive."

See, the tax bill—and it's essential for our citizens to understand—when we passed the tax bill, it changed the decision-making process of millions of small-business owners. It changed the attitude of the decisionmakers in the small businesses of America. Not only are you more optimistic than you had been in the past, you've got a little more money to spend too, which makes you optimistic. And it's your decisions—it's the millions of decisions in the marketplace that have helped define the economic recovery we're going through, and Congress must understand that.

Mike added four new jobs. Now, that doesn't sound a lot to people who think in terms of a lot of zeros. But it meant a lot to the four people he hired. It meant a lot to Mike.

And when you think about it, there are a lot of Mikes out there who own their own small business. It's the cumulative effect of small-business hiring practices that have helped create this momentum in job hiring across the country. You know what I'm talking about. You've hired 1 or 2 or 3, 10, 20 people. And it's had an enormous effect. It's changing the dynamic of our economy. People are getting back to work. Small businesses are hiring. The future looks bright, and the fundamental question facing the country is, how do we make sure we continue to grow?

See, we've still got some problems. I want to discuss a few of them with you. I'm going to ask for your help in convincing your elected representatives to perhaps listen to our point of view about how to make sure this growth that we have going today not only lasts throughout the political cycle,

more importantly, lasts throughout the decade. That's what we want, and the way I like to put it is, one way to do so is to make sure America is the best place in the world to do business. The best place for people to risk capital, the best place for people to try to realize their dreams must be America if we want our people working throughout the next decade.

And there are some things we must do. First, there must be certainty in the Tax Code. If you're a decisionmaker at a small business, you want to know what the future tax—your future taxes are going to look like. That's what you want to know. It's hard to make a decision if you're uncertain about what next year's taxes will look like, what the rates will look like, and so therefore, it's very important for Congress to understand and listen to the decisionmakers. As you know, some of tax relief is set to expire this year, and Congress must hear from you. They're going to continue to hear from me. Instead of raising taxes on the American people at this point, we ought to make sure the taxes stay where they are and stay low.

We need to make sure the child credit stays where it is, the marriage penalty stays down, the 10-percent rate stays in place. That's what we need to make sure. It will send a signal. It will send a signal that we intend to make the tax relief we put in place a permanent part of the Tax Code so our small-business owners can plan for the future.

And by the way, the death tax could conceivably come back to life. It's being phased out. It's going to be an unusual year—I think it's 2011 that it—see, it fades out to 2010. Then all of a sudden, it shoots back up in 2011. I guess a lot of people are going to have to be making some decisions in 2010. [*Laughter*] Congress needs to hear from you on this issue, I'm telling you. It's important to make sure that the death tax goes away forever—forever—that there's permanency.

One of the challenges that we have as our economy shifts is to make sure that we have a skilled workforce to fill the jobs of the 21st century. We're not going to be able to grow throughout the decades unless we make sure our workforce can do the jobs that are being created. In other words, if you can't find workers to be able to do the jobs that are necessary to compete in the 21st century, you'll look elsewhere. And so one of the economic realities is to make sure the education system works well. And I've worked with Congress to pass the No Child Left Behind Act. It is a strong piece of legislation. I'll tell you why. It sets high standards. And for the first time, it says, "In return for Federal money, show us whether or not a child can learn to read and write and add and subtract."

See, you live with accountability all your life, don't you? It's called the balance sheet and the income statement. A small-business person is held accountable every day. If you're in retail sales, you're held accountable when you close the register that evening. If you're in construction sales or building homes, you're held accountable every day, based upon progress you've made on a project that you've got.

The school systems need to be held accountable as well. And in return for money, we've said all we expect is for a child to read at grade level, starting at the third grade. That's not too much to expect. As a matter of fact, it's necessary to make sure the workforce works.

But we've got other programs to make sure our kids are ready. We've had a system, as you know, that has just simply shuffled some through the system without asking the hard question about education achievement, and they need help now. And so we've got programs for middle school kids and high school kids and intervention programs in English and math. We're working hard to promote science and engineering programs, both in high school and college.

But one of the most important initiatives that we have put forth here in Washington is to match up our community colleges with employers looking for workers, is to say to the workforce, "You can go back to school for a period of time—we'll help you in most cases—and train for jobs which actually exist." I don't know if you're having problems finding workers in your respective industries, but I can tell you, the health care industry's looking for nurses. I mean, there are a lot of jobs where people are looking to fill jobs, and one reason why they can't fill those jobs is because the education system hasn't responded. The education system must be flexible, available, and affordable. And the best place to do that is in the community college campuses all across America.

We're not going to be able to compete in the world and create the jobs we want to create over the next decades if we strangle our small-business owners and large-business owners with needless paperwork and regulation. The governments—and I say "governments" because I know the Federal Government has got a lot of paperwork you need to fill out, but so does the State government and local government. I can't guarantee you that we read all the forms we ask you to fill out. *[Laughter]* I would bet they don't read all the forms. *[Laughter]* And we've got to be mindful about what paperwork does to the job creators. We want you hiring people, not hiring—not filling out paperwork. That's what we want. The Treasury Department has simplified some tax forms, for example.

There's some practical things we must continue to do at the Federal level to make sure that we can compete and make sure people can find work. Our workers must understand that if we overburden our people, our entrepreneurs with paperwork, they're less likely to find a job. The Government has the responsibility to have oversight but not oppressive oversight.

In order for America to be a competitive place, the best place to do business, in

order for people to be able to find work over the next years, we must have a legal system that is fair and balanced. Today's legal system is not fair, and it's not balanced.

I want you to remind the people on Capitol Hill, you cannot be pro-small-business and pro-trial-lawyer at the same time.

And the Federal Government can set an example of good tort reform by passing a class-action reform, a reform where trial lawyers can't shop for courts all around the country and a reform that, if there ever is a verdict, the people who benefit are those who got injured, not the lawyers. That bill is stuck. We need to help get it unstuck, and you can help. You can help by contacting your United States Senators.

And we also need to reform our medical liability system. Now, when I came to Washington—when I came up here, I said, “Well, gosh, I think the best place to have reform on medical liability reform is at the State level.” And then I looked at the impact of what the frivolous lawsuits were doing to Federal budgets. You see, if you're a doc and you're getting sued all the time, then you're going to practice defensive medicine. It means you practice more medicine than you need so if you ever get into a court of law, you can say, “I've done everything I could possibly do”—some of which was not necessary except for legal defense. And as a result of the lawsuits or the threat of being sued or the settlements that happen as a result of filing lawsuits, docs' premiums go up too. And therefore, so does your cost, and so does the cost to the Federal Government.

So I decided medical liability reform was a Federal issue that required a Federal solution and worked with the United States House of Representatives to get a good bill out, which says if you're truly harmed by a doctor, you're going to be compensated. But these outrageous settlements and these egregious awards must cease for the sake of our small-business owners.

I fully understand the pressure you're under when it comes to the cost of health care. You've got employees that you want to take care of. You have an obligation as an employer to make sure that somebody working with you has got good health care. That's what you want more than anything. And yet you know, like I know, the cost is going up. And one way, a part of controlling the cost of health care, is for the United States Congress to get rid of those frivolous and junk lawsuits that's running up the cost of health care and pass Federal medical liability reform.

Another way to help small businesses is to pass association health plans. Association health plans, see, they're necessary. If you're a small-business owner, a restaurant owner, say, and lucky enough to be in the great State of Texas—[applause]—there you go—it seems like you should be able to pool risk with a restaurant owner in the State of Florida. Except in many States, you can't do so. You know what I'm talking about. Big businesses are able to spread risk, because they've got a lot of employees over which to spread risk. Small businesses don't have that same purchasing power in the marketplace. It makes sense to me to allow small businesses to bind together in order to be able to better afford insurance for their company.

As well I want you to look into health savings accounts. This is an innovative new product that has emerged as a result of me signing the Medicare reform law. It's an interesting way for small businesses to take care of their employees. Employees basically are able to contribute tax-free into an account to help with routine medical expenses, and you pay for catastrophic care. The combination of the two will save money. It also makes sure that the decisionmaking process in medicine is between the doctor and the patient, not between Federal bureaucrats and the rest of the population. See, we must not allow the Federal Government to run the health care system of America.

In order for us to be competitive, in order for America to be a great place to do business, we need an energy policy. We need to become less dependent on foreign sources of energy. I proposed a plan to the United States Congress several years ago and said, "Look, we have got to do a better job of modernizing our electricity system, of exploring for more energy in environmentally friendly ways in our own country, by developing alternative sources of energy, biodiesel, ethanols." I mean, listen, I would love to be able to leave behind a legacy that says, "Gosh, the corn crop is up, and we're less dependent on oil from overseas." That would be a good thing to have happen, wouldn't it?

And it's very possible. It's very possible. We must continue to push research and development along those lines. And we've got to encourage conservation. But we need—the Congress needs to pass this bill. I mean, all they've got to do is go to the gas pumps and take a look at the price of gasoline, and you begin to understand what it means to be reliant upon foreign sources of energy. We need clean coal technology. We need to be exploring for natural gas. We need to have—be able to deliquefy liquefied natural gas off our shores. We need more energy in order to be able to have our economy strong and, at the same time, make sure we're strong from a national security perspective.

And finally, I want to talk about trade right quick. Do you know that 97 percent of all U.S. exporters are American small businesses? See, if you're good for—good at something, we want to encourage you to be able to sell your product everywhere. We're really good farmers and ranchers in America. We ought to be selling beef and corn and soybeans everywhere there's a market. We ought not to be afraid of competition in America. I don't like unfair competition. And so, the job of the President, it seems like to me, is to reject economic isolationism, is to say to countries, our mar-

kets are open for you, you open up your markets for us.

You see, all we want is a level playing field. Just give us a chance to compete. The chance to compete will be good for small businesses. A level playing field will be good for you. It will open up markets. It will give you more opportunity to sell that which you make in places other than the U.S.

In my judgment, good trade policy means better jobs for the American people. It's essential that we not become isolated from the world. It's essential we be confident in our ability to compete. Give us a level playing field, and America's entrepreneurs, small-business owners, farmers, ranchers, and workers can compete with anybody, anyplace, anywhere in the world.

What I'm telling you is, is that the economy's strong; it's getting stronger. But it's important to keep thinking down the road, and it's important to recognize that which is necessary to make sure we can compete. You want to be not only vibrant over the next 4 or 5 years; you want to be vibrant over the next 20 years. The role of the Government is not to create wealth but an environment in which the entrepreneur can flourish. And I've just laid out five or six ways to make sure that the entrepreneur can flourish in America.

We've got other challenges as well. I want to talk about two of them right quick. One, we will win the war on terror. [*Applause*] Thank you. We will win it in the short term because our troops will protect America from harm. We've got great troops. Sergeant, I'm glad you're here. The chief of staff of the NFIB's son is with us. He has served in Bosnia, Afghanistan, and Iraq. I'm honored you're here, Sarge. Thank you for your service.

Thanks to Sarge and others like him, we're running down Al Qaida; we've removed terror regimes who defied ultimatums; and we're doing the hard work now of defeating terror in the long run

by spreading freedom and democracy. It's not easy work; I understand that.

It's hard to go from tyranny to freedom. It's hard to be—to go from a country which had mass graves and children being tortured in front of their parents, guys whose hands were chopped off because the currency was devalued. I remember the other day, seven people came to see me, and they had had their arms—their hands cut off. They were small-business owners, just like you, in Baghdad. And the currency had devalued, and Saddam Hussein needed to blame somebody. So he found these seven poor souls, and he cut off their hands, and he marked their foreheads with a X.

Fortunately, a filmmaker captured their story. And a guy in Houston named Marvin Zindler—he's a TV guy—put a foundation together and—had a foundation in place and saw the story, and he flew them over to the United States. And they came with their new hands to see me. A guy took his hand and put the pen in there and wrote "God bless America" in Arabic. That's the kind of society that used to exist. These seven people were overjoyed with the compassion of America and thrilled with the thought of living in a free society.

This is hard work, but we've done hard work before. After World War II, there were a lot of pessimists who doubted whether or not Germany could ever rise from the rubble or whether or not Japan could ever be a democracy. Fortunately, we had optimists in our country in those days who refused to listen to the pessimists. Fortunately, we had people in those days who had great faith in the values of America and great confidence that people deep in their souls want to live in free societies.

And that's the challenge we're faced with today. The killers and suiciders want us

to leave Iraq, Afghanistan. They want us to renege on our word. They want us to lose confidence. They will fail. America will not be intimidated by these killers. We understand the stakes. We understand that our long-term security depends on the spread of free societies in parts of the world that are desperate for freedom. We have great confidence in our belief that freedom is the gift of the Almighty to every man and woman in this world.

We live in historic times. We live in historic times. This economy of ours is changing, and as it changes, it's getting stronger and providing fantastic opportunities for people, opportunities for those who dream the big dream and who work hard and take a risk. And we have a chance to leave behind a legacy of peace by spreading democracy and freedom. These are the challenges that have been placed before us. We accept the challenges, and we know that for our great country, the best days lie ahead.

Thank you for coming, and may God bless you.

NOTE: The President spoke at 1:20 p.m. at the J.W. Marriott Hotel. In his remarks, he referred to Jack Faris, president and chief executive officer, Thomas Musser, chairman of the board, Dan Danner, senior vice president for public policy, and Mary Blasinsky, chief of staff, National Federation of Independent Businesses; Mike Baldino, president and chief executive officer, Kelly Industries, Inc.; S. Sgt. Michael Blasinsky, USAF, son of Ms. Blasinsky; former President Saddam Hussein of Iraq; Don North, video producer; and Marvin Zindler, member, board of directors, Agris-Zindler Children's Fund. A portion of these remarks could not be verified because the tape was incomplete.

Remarks at a Reception for Senatorial Candidate George R. Nethercutt, Jr., in Spokane, Washington
June 17, 2004

Thank you all. Thanks for coming. And George, thanks for inviting me. I've come back to Spokane for one reason. I want to make it as clear as I possibly can that the right person to represent the State of Washington in the United States Senate is George Nethercutt.

Thank you for helping him. Thank you for what you're going to do to help him—[laughter]—starting with voting and turning out others to vote. And while you're getting the vote for George, why don't you get them to vote for me as well. Both of us are going to carry this State, and we're going to because we've got optimistic plans to make this country safer, stronger, and better.

There are a lot of reasons to be for George, but the best is the fact that he married well. [Laughter] Like me, he married above himself. [Laughter] He's got a wonderful family with Mary Beth and Meredith and Elliott. I want to thank them for joining us on the stage. You see, running for office is a family venture. You can't run unless you've got a good, strong marriage and a supportive family, and the Nethercutts are close. They love each other. They care for each other. And one of the reasons he's going to win is they set such a good example for people all across the State of Washington.

And the good news for me is, Laura hadn't run me off yet. [Laughter] She sends her very best. As a matter of fact, she is going to host an event for George in Washington, DC, very soon. She knows a good man when she meets one. [Laughter] I'm really proud of Laura. She is—I don't know if you remember, 4 years ago when I came here—and by the way, I remember vividly running the river. [Laughter] Unfortunately, I can't run as well anymore. It just goes to show what the Presidency does to

your knees. [Laughter] But I said I was a lucky man when Laura said yes to marry me. She was a public school librarian when I first met her. She didn't care for politics or politicians. [Laughter] And now she's the First Lady of the United States, and she's doing a heck of a job. I'm really proud of her, and she sends her best.

I'm also really pleased that my friend Dirk Kempthorne is here, the great Governor of the State of Idaho. He is a—he's back in the corner, he and Patricia are back—I thought you'd get a better seat than that. [Laughter] But thanks for coming. He is a fabulous person and a great friend of mine, and I want to thank all the folks from Idaho who slipped across the border to say hi. And Governor, one of these days, I'm coming. [Laughter]

I want to thank Secretary of State Sam Reed for being here. I appreciate you coming, Sam. I had the honor of meeting Mayor Jim West. I want to thank the mayor. I like to tell mayors when I see them, thanks for serving, and fill the pot-holes. It works every time. [Laughter]

I appreciate saying hello to former Governor John Spellman. Thank you for serving your State. And I had the pleasure of saying hello to future Governor Dino Rossi. Dino is a good man. He's a good man. He's got a good, solid head on his shoulders, and he'll do a heck of a job as the Governor of this State.

It's a strong ticket we're running on here in Washington, if you really think about it. You've got Dino Rossi, and you've got George Nethercutt. You're lucky to have two great, honorable, decent souls. You know George here. When I say "decent," you know what I'm talking about. He is from Spokane. He grew up here. People know him well, and people can vouch for him. They can vouch for his integrity and