

economy has been creating jobs. We've added 1.7 million jobs since August, 2003, including 107,000 manufacturing jobs since January.

The unemployment rate is now 5.4 percent, down almost a full point since June, 2003, and below the average rate of the 1970s, 1980s, and 1990s. The homeownership rate is at an alltime high, and new home sales are still rising. After-tax income is increasing, which means workers are keeping more of their paychecks. The tax relief we passed is working.

Having extended tax relief, we must take additional action to strengthen our economy so every American who wants to work can find a job. To create more jobs, we need to reduce the burden of regulation on small businesses. We need to end the junk lawsuits that keep entrepreneurs from creating new jobs. Congress needs to pass my energy plan to make America less dependent on foreign sources of oil. We need to open more foreign markets to American products and ensure that other countries play by the rules. We must continue to spend taxpayer dollars wisely in Washington, DC. And to help families and small businesses plan with confidence, we need to make all of the tax relief permanent.

Some politicians in Washington have a different view of tax relief. When I pro-

posed tax relief for working families in 2001 and 2003, Senator Kerry and other Democratic leaders voted against it. In fact, Senator Kerry has voted consistently against marriage penalty relief, against increasing the child tax credit, and against expanding the 10-percent bracket. Now, Senator Kerry and the Democrat leaders are proposing a lot of new Federal spending, and the only way to pay for all their promises is to raise taxes on working families.

You know where I stand. Higher taxes are the wrong policy for this growing economy. Our families and our country are better off when Government lets people keep more of what they earn. And that is why I'll work with Congress to keep taxes low, and that is why I will proudly sign the Working Families Tax Relief Act of 2004 into law.

Thank you for listening.

NOTE: The address was recorded at 2 p.m. on October 1 in Bedford, NH, for broadcast at 10:06 a.m. on October 2. The transcript was made available by the Office of the Press Secretary on October 1 but was embargoed for release until the broadcast. The Office of the Press Secretary also released a Spanish language transcript of this address.

Remarks in a Discussion in Mansfield, Ohio October 2, 2004

The President. Thank you all. Thank you all for coming. Thanks for being here.

Audience members. Four more years! Four more years! Four more years!

The President. Thank you all for coming. I'm proud you're here. Go ahead and be seated. Thank you all. Thanks for coming.

It's great to be here in Mansfield. It's an honor to be back in the State of Ohio. You might have noticed I'm spending some

quality time here. [Laughter] And there's a reason. I believe you have to get out amongst the people and ask for the vote, and that's what I'm doing here today. I'm here to say, I'd like your vote. And I'm also here to ask for your help.

Audience member. You got it!

The President. I appreciate it. [Laughter] I want to thank all those who are involved in the grassroots politics here. I know our

party chairman is here. I know there's a lot of people putting up the signs and making the phone calls. I know people worked hard to turn out such a great crowd, and I thank you for it.

I'm going to thank you now for what you're going to do, which is to register people to vote. Don't overlook discerning Democrats like Zell Miller when you do so. And then remind people that in our free society, we have an obligation to vote. And then when you get them headed to the polls, tell them if they want a safer America, a stronger America, and a better America, to put me and Dick Cheney back in office.

Audience members. Four more years! Four more years! Four more years!

The President. Thank you all. Got a lot of work to do here. [Laughter] I'm here to let you know I have a reason for wanting to serve for 4 more years. It's important for a person running for office to say, "Here's what I've done," but only to verify that which I'm going to do. And that's what we're here to talk about. I appreciate you giving me a chance to come. As you can tell, we've got some citizens from the area here who are going to help illuminate the points about the approach to Government that I take, which is, the role of Government is to help people realize their dreams, not tell people how to live their lives.

And that's a fundamental difference in this campaign. It's a fundamental difference. I'm running against a fellow who trusts Government. I trust the people. And we're going to spend some time talking about it.

Before I do so, I want to tell you, Laura sent her best. She was a public school librarian in Texas when I asked her to marry me. She said, "Okay, just so long as I never have to give a speech." [Laughter] I said, "You've got a deal." [Laughter] Fortunately, she didn't hold me to my promise. [Laughter] People of this country got to see her in New York City. They got to see the woman I know—decent, compassionate,

strong, and a great First Lady. She said, hi. I'm going to give you some reasons to put me back into office, but perhaps the most important one of all is so that Laura will be your First Lady for 4 more years.

I'm proud of my Vice President. He's been a great friend and a good adviser. I admit it, he doesn't have the waviest hair in the race. [Laughter] I didn't pick him for his hair. [Laughter] I picked him because he's got good judgment; he's got great experience. I picked him because he's getting the job done for the American people.

I'm proud Oxley's here. I know you're proud to have him as your Congressman. Mike Oxley is a fine, fine man. Thanks, Ox. And I see the chairman is with us, Ralph Regula. Thank you, Ralph, for coming as well. Appreciate both of you here. I just got off the bus, and Mike DeWine went up the road. He is the warm-up person for the next speech, but he sends his best. Mike's a great United States Senator, and I hope you understand what a great Senator you have in George Voinovich. Please put him back into office. Thanks for coming.

Let me—a couple of things I want to say to you. One, as you're gathering up the vote, it's important for you to remind your fellow citizens what this country has been through for the last 3½ years and the fact that we have taken decisive action to deal with the issues that have confronted us. Take the economy. When we got in there, the stock market had been in decline for a while. It was kind of an indication of things to come, and then there was a recession. Recession, of course, means that small-business owners have trouble making payroll, that people are just—great uncertainty, that people are worried about their jobs. And then, just as we were beginning to get our balance in the recession, we found out that some of our citizens were not responsible citizens. They didn't tell the truth, and that affected our economy. Make

no mistake about it, those corporate scandals affected the economic vitality of this country. So we acted. It's called the Sarbanes-Oxley bill. It's a bill that says we're not going to tolerate dishonesty in the boardrooms of America. And then after that, the enemy hit us, and it cost us jobs. The attacks of September the 11th caused a lot of grief, a lot of concern. It caused us to change our—aspects of our foreign policy, which I'll talk about in a little bit, but it hurt our economy.

There have been major obstacles in the path for economic success, yet we've overcome them. We've overcome them because the entrepreneurial spirit in America is strong. We've overcome it because our small-business owners are optimistic people. We've overcome it because we've got great workers in America. And we've overcome it because of well-timed tax cuts.

We're going to talk a little bit today about how the tax relief helped individual families as well as the small-business owners. The economy of this country is strong, and it's getting stronger. The national unemployment rate is 5.4 percent, which is lower than the average of the 1970s, 1980s, and 1990s. We're growing at rates as fast as any in nearly 20 years. I understand there's pockets of unemployment here in Ohio. It's been tough on this State, and I know that. That's why progrowth policies will help. You'll hear other ways to help the people who are hurting here. So long as anybody is looking for work, I'll continue to make sure this economy has got what it takes to grow.

Now, let me tell you about our economy. It's one thing to have overcome obstacles: the question is, how do you make sure the growth we have now is lasting prosperity? It's really the issue in this campaign. The best way to make sure work stays here in America, the best way to make sure people can find work is to make sure America is the best place in the world to do business. That means less regulations on our businessowners. That means legal reform

so frivolous lawsuits don't make it hard to hire.

We open up our markets to goods from other countries. It's happened in previous administrations. Both Republican and Democrat Presidents have done so, because it's in your interests. The more products you have to choose from, the more likely it is you're going to get that which you want at a better price and higher quality. That's how the marketplace works. So in return, rather than closing our markets and isolating ourselves from the world, I've said to other countries like China, "You treat America the way America treats you." The best trade policy is to work to open up markets around the world because we can compete with anybody, anytime, anywhere if the rules are fair.

In order to keep jobs here, make sure the doors of our businesses stay open, we need an energy plan. I submitted a plan to the United States Congress. Congress needs to get it to my desk. It's a plan that encourages conservation. We spend billions on research to make sure that we can find alternative sources of energy. I strongly believe we ought to be using ethanol and biodiesel in the energy mix, which we are. I know we can use technology to see to it that our coals burn more cleanly. We need to be using technology to explore for natural gas in environmentally friendly ways. But to keep jobs here in America, this country must become less dependent on foreign sources of energy.

We've also got to be wise about how we spend your money in Washington. In order to make sure this economy grows, we've got to be wise. We've got to set priorities and stick to those priorities, and we've got to keep your taxes low. If you want this economy to grow, it's important to keep your taxes low, and it's an issue in this campaign. My opponent has, so far, proposed \$2.2 trillion of new Federal spending. That's with a "T." That's a lot, even for somebody from Massachusetts. [Laughter] And so they said, "How are you

going to pay for it?" They asked him, "How are you going to pay for it?" He said, "I'll just tax the rich." We've heard that, haven't we, before. "Just tax the rich."

Today I'm going to talk to a small-business owner that is evidently a part of that equation. There's a tax gap in his plan. He says, well—he's going to propose \$2.2 trillion, by—but by raising the two top brackets, you only raise a little over \$600 billion. That's the tax gap. Guess what happens when there's a tax gap in Washington? Guess who gets to fill the tax gap?

Audience member. We do!

The President. Yes. As well, when you hear him say "tax the rich," just remember that the rich hire lawyers and accountants for a reason, to slip the bill and pass it to you. The good news is, we're not going to let him tax you. I'm going to win in November, with your help. *[Applause]*

Thank you all. Hold on. We've got to work here. Thank you all. Behave yourselves back there. *[Laughter]* They got the best view in the house. Not now. *[Laughter]*

A couple other things I want to talk about. I want to remind you I understand we're living in a changing world. And it's changed—just think about the workplace. It used to be where a person had one job, one career, worked for one company, one pension plan, one health care plan, and that person was a male—generally a male. Today, the workplace has changed a lot. People are changing jobs and careers quite frequently. Women are working inside the house and outside the house. And yet, when you think about it, the fundamental systems of our Government, like the Tax Code or the health care plans or the pension plans, were designed for yesterday, not tomorrow. I'm running to change those systems so that people have the opportunity to be able to realize the great promise of America.

Let me talk about health care right quick, and we're going to talk about an interesting example of what I'm talking

about. The health care system today, we've got a choice, it seems like to me, and the choice is whether or not the Government is going to run the health care or you're going to run the health care. I believe it's as simple and as stark as that. I've analyzed my opponent's plans, and when you think about it, everything he's going to do, it's going to cause the Government to be more intrusive in the health care system. To me, that's the wrong approach.

About 50 percent—so here's some practical ideas for you to talk to your neighbors about. First of all, there ought to be a safety net. There's a safety net when it comes to Medicare. I went to Washington to solve problems. I saw a problem in Medicare. Medicare would pay nearly \$100,000 for heart surgery but not a dime for the prescription drugs which would prevent the heart surgery from being needed in the first place. That didn't make any sense. It certainly didn't make any sense for our seniors. It didn't make any sense for the taxpayers. We brought Republicans and Democrats together. We modernized Medicare, and our seniors will be getting a prescription drug benefit in the year 2006.

I believe in community health centers, places where the low-income Americans can get primary and preventative care in places other than your emergency rooms. And I believe every poor county in America ought to have a community health center. I believe in a children's health insurance program, but we've got to make sure all those who are eligible are signed up to do so.

But I also understand this reality: 50 percent of the working uninsured work for small businesses. Small businesses are having trouble affording health care. And in order to enable them to be able to better afford health care, I think small business ought to be able to pool risk so they can buy insurance at the same discount big businesses get to do. My opponent opposes that. I think it—I don't think it makes

sense. I don't think it's practical, common-sense policy to not enable small businesses to be able to afford health insurance for their employees.

Another problem we have in America, and it's America-wide, is the fact that there's too many lawsuits which are running good does out of business and running up the costs of your health care. You can't be pro-doctor and pro-patient, pro-hospital and pro-trial-lawyer at the same time. I think you have to choose. My opponent has made his choice, and he put a trial lawyer on the ticket. I made my choice. I'm for medical liability reform—now.

I believe in health savings accounts. We're going to talk about health savings accounts in a minute. A better way for me to describe it is to let somebody who owns one describe what they mean. But really, what they are is a chance for somebody to own their own health care account. And I believe good Government policy will encourage—needs to encourage small businesses to set up health savings accounts for their employees, accounts that you call your own. In a changing world, when people change jobs, it makes sense to have somebody be able to own their own health care account that they can take from job to job and that they can pass on to other generations. See, if you own something in a changing world, you have more stability in your life.

Let me talk about the retirement plans in America. It's really important, in my judgment, to think about ownership in the Social Security system, in order to make sure our younger workers have got a system that is viable. Now, let me make—let me say this to you. In 2000, when I campaigned, I clearly remember some of these television ads saying to our seniors, "If George W. gets in, you're not going to get your check." Well, you got your check. It's not going to happen. It didn't happen in 2000. It's not going to happen in 2005. Seniors will get their checks. Baby boomers, we'll get our checks.

But we need to be worried about our young kids, our children and grandchildren. There's a big bulge of us baby boomers getting ready to retire, and there's not enough people putting money in. That's the issue. And to make sure Social Security is viable for our younger workers, the money in the Social Security trust has got to be earning a higher rate of return. That's why I believe younger workers ought to be able to take some of their own tax money and set it aside in a personal savings account to help fulfill the promise of Social Security, an account they call their own and an account the Government cannot take away.

A couple other things I want to say to you about how to cope in a changing world. The labor laws were designed for yesterday. We need to change them so that people working outside the home are able to have flex-time or comp-time. They're able to be able to store up time so they can better juggle their needs of being a mom and a worker at the same time. The labor laws ought to be family-friendly. The labor laws ought to recognize times have changed and give people flexibility so they can manage both their home and their career.

Right quick about education. First of all, I went to Washington to challenge this system that sometimes, and too many times, just shuffled kids through, grade after grade, year after year without teaching the basics. It is not right to allow a child to go through the school system without having the tools necessary to be able to compete and work in the world of the 21st century. And so I said to Washington, "Let's do things differently. We'll increase Federal spending, particularly for the poor and disadvantaged, but in return, we'll start asking some basic questions, 'Have you taught the child how to read, write, and add and subtract?' "

And so, now, in return for increased Federal money, States must design accountability systems which are able to determine whether or not we're meeting the

high standards we've set. You cannot solve a problem until you diagnose it. And so the idea is to determine early in a child's career whether or not he or she can read and correct the reading problem today, before it's too late. We're closing a minority achievement gap in America. The system's working, and we're not going to go back to the old days of no accountability and no excellence in the classrooms, some of the classrooms of America.

But there's more to do, more to do when it comes to education. You know, many of the new jobs of the 21st century require a college degree, but only one in four of our students gets there. That's why I believe we've got to have at-risk programs for high school students so they don't slip behind. We've got to emphasize math and science so that skills—kids have got the skills necessary for the jobs of the 21st century. Over time, I believe there ought to be accountability in the high school systems so we can say we've raised the standards. We need to increase Pell grants for low- and middle-income families. But all this means that more and more of our kids will be able to start their career with a college diploma, will be able to compete in the 21st century.

There's also a skills gap in America. Think about this. In many communities, some communities, the job base is changing from the way it was, of yesterday, and yet, many workers don't have the skills necessary to fill those jobs. We've got a comprehensive program to make sure the worker training programs fulfill the needs of the 21st century. I am a big believer in the community college system, where many of our workers have got the capacity and ability to be able to get the skills necessary to fill the jobs in their own neighborhoods, in their own communities.

And so what I'm telling you is, is I understand this world of ours is changing. And we've got plans to say, in a changing world, the systems of Government will change with it, not to tell people how to

live their lives, but to say, "Here's your opportunity." Government can't make somebody be ambitious, but what Government can do is say, "Here's a chance." We'll give you the skills and opportunity to be able to realize the great dreams of this country. That's a hopeful America.

So I'm telling the American people, give me a chance to be President for 4 more years, to build a more hopeful America, an America based upon ownership. Do you realize, under my administration, the homeownership rate is at an alltime high?

And we're about to talk to a homeowner. But before we do so, I want to talk to—Teresa Slaubaugh is with us. Thanks for coming, Teresa. Glad you're here. You're married?

Teresa Slaubaugh. Yes, I am.

The President. Husband's name, please?

Mrs. Slaubaugh. My husband is Paul Slaubaugh.

The President. Good. He is—[laughter]—just getting warmed up. [Laughter] How many kids you got?

Mrs. Slaubaugh. I have two beautiful children.

The President. Two beautiful children. Are they here?

Mrs. Slaubaugh. Yes.

The President. Let me see if I can pick them out here. No. [Laughter] I've asked Teresa to join us just so people understand what the tax relief meant. Now, when I talk about tax relief, first of all, we cut the taxes on everybody who pays taxes. See, if you pay taxes, you ought to get relief. And secondly, we raised the child credit. Two beautiful children meant that the child credit went up for Teresa and her husband, Paul. It is Paul?

Mrs. Slaubaugh. Yes.

The President. Whew. [Laughter] Whooo. [Laughter]

This family of four, because of the reduction in rates, the creation of a new rate, the 10-percent bracket, raising the child credit—and oh, by the way, just one other

thing before I let Teresa speak—she's probably wondering if she's ever going to get a word in edgewise. [Laughter] The code penalizes marriage. It doesn't make any sense to penalize marriage. We ought to have a Tax Code that encourages marriage.

And so, how much relief—how much tax relief did you all get in '03? Do you know? I know. You saved \$1,700. That's not a lot in Washington terms, I understand that. Did that mean anything to you and Paul?

Mrs. Slaubaugh. It meant quite a bit to us.

The President. Okay, like how?

Mrs. Slaubaugh. My husband, Paul, works as a high school teacher, and he serves our country as a Navy Reservist.

The President. Great.

Mrs. Slaubaugh. I'm a home-school mom. I'm a stay-at-home mom, and we have benefited from your administration. This has allowed us to purchase curriculum for our son, school supplies for our son. We have been able to supply piano lessons, physical education classes where we have to go outside the home environment to supplement his education. And we've been able to take field trips to various places.

The President. Good. Listen, I think it's important—let me just—this will help me make my point. After Government meets its obligations, after we set priorities and fund them, I think it makes sense to let Teresa and her husband, Paul, keep as much money as possible. She can spend her money better than the Government can spend her money. That's the philosophy. That's our philosophy in this campaign.

And think about what this means. Think about what the tax relief means. I'm so pleased you're here, because it gives me a great example. Think about what it means. It means that as a result of tax relief, the Slaubaugh family has got more choices. It provides more freedom, and they've chosen to educate their child at home. First of all, that's a—it's got to be really hard to be the mom and the teacher,

although moms should be teachers, but this is, mom, teacher, and teacher. [Laughter]

And yet, the money is freeing them up to do what they want to do. When you hear me talk about Government policy to create more freedom, that's what I'm talking about. They have the freedom to be able to make a choice that they want to choose, and I want to thank the Congress for making sure that the child credit, the 10-percent bracket, and the marriage penalty relief that we passed was made permanent for 5 more years. I appreciate your work. [Applause]

Wait a minute. Hold on. We've got a lot more work to do yet.

So one of the things I love is to hear a story about somebody who said, "I've started my own business." I think one of the—I know one of the strengths of this country of ours is the small-business sector of our economy, and today we've got Grant Milliron with us. [Applause] Pretty well known, evidently. Pretty soon you'll be running for mayor.

Grant E. Milliron. You never know.

The President. That's right. So tell the people at what age you started your business.

Mr. Milliron. I was 18 years old, and I was 9 days away from my 19th birthday. [Laughter]

The President. You talk about the entrepreneurial spirit, I mean—I can't tell you how many people I've talked to that said, "Well, I started my business at the kitchen table," or "in my garage." I don't know where you started yours?

Mr. Milliron. Very similar. We started with one acre of property and 12 automobiles.

The President. Really? So what do you do? Give people a sense of what your business does.

[*Mr. Milliron, president, Milliron Iron & Metal, Inc., made brief remarks.*]

The President. There you go. [Applause] Hold on. Hold on. He's doing great. A

couple of points. He said something interesting; I want to remind you. He said, "Your policies have meant a lot to us recently." And he talked about capital-intensive business—that means machines, got to buy equipment. And one of the things he's referring to is the fact that we provided incentives for small businesses to make purchases and investments, and there's a reason why. I'll get to it in a minute.

So with this incentive, did you buy anything? What did you buy?

Mr. Milliron. We certainly have. We began a program in late 2003 of reentering the solid waste business. I was in that business too for about 15 years. The first thing we did is buy three brand new trucks. Those trucks are very expensive. We spent almost a half-a-million dollars for three trucks.

The President. Somebody had to make the trucks. See, he said—what the tax policy did was it increased demand; that good tax policy says to Grant, "Here's something to help you in the decisionmaking process," which is to make a capital investment. When he decides to make the capital investment, somebody has to make it for him. That's how the economy works. His decision, based upon tax relief, caused somebody else to be able to work and, at the same time, meant his own workers were more productive. That's why good tax policy is—that's how good tax policy happens.

Go ahead. How many workers have you got?

Mr. Milliron. In one company, the iron and metal company, we had 23 people going into the first of this year. We have added seven people. And once our shredder operation is up and running, we know we'll be hiring six or eight more people.

The President. Think about that. That's what's happening in this economy. Grant's got optimism. He sees a brighter future. He's making some capital investments to make his business more competitive, and he's hiring people. He's added seven people. He says he's going to add seven more.

It's happening all over America. The small-business sector of this country is leading this recovery. Seventy percent of new jobs are created by small-business owners just like Grant. Isn't that right?

[*Mr. Milliron made further remarks.*]

The President. See, the small-business sector of this economy is leading the recovery. But I want to tell you something interesting and why my opponent's policies are wrong, in my judgment. Grant's company is a Subchapter S. That means he pays tax at the individual income-tax level. About 90 percent of the small businesses pay individual income tax. They don't pay corporate tax. They pay individual tax. That's because they're a Subchapter S corporation or a sole proprietorship. So when you hear my opponent saying, "Oh, we're just going to tax the rich," remember this. Thousands of small-business companies are the so-called rich, in his vernacular. It makes no economic sense to tax this man as this economy is recovering. He just said he's thinking about hiring seven more people. It is less likely that Grant will hire people if he knows his taxes are going up.

Good economic policy rewards investment, rewards risktaking, and honors the fact that 70 percent of new jobs in this country are created by small-business owners just like Grant. John Kerry's economic policies will hurt this economy. You ready? Good job, thank you.

Joanna Williams. How are you?

Joanna Williams. Good.

The President. You are married to Taylor?

Mrs. Williams. Exactly. Very good.

The President. Where is old Taylor?

Mrs. Williams. Oh, he's right back there.

The President. Oh, yes. Hey, Taylor.

Mrs. Williams. You just made his day.

The President. I made his day. Well, I'm trying to get him on TV. [*Laughter*] Give him a, "Hi, Mom," Taylor. [*Laughter*]

I've asked Joanna here and Taylor, because, guess what? They bought their first home this year, isn't that right?

Mrs. Williams. Yes, we did.

The President. I told you homeownership rates are at an alltime high. And so, what was it like?

Mrs. Williams. To buy our home?

The President. Yes.

[*Mrs. Williams made brief remarks.*]

The President. Yes, one reason why people are able to afford homes today is because of—mortgage rates are low. Interest rates are low. This is not the effect of—this is caused by the Federal Reserve Board. I can't claim credit for that. But I can claim credit for this, a policy—a tax policy which left more money in the hands of those that earned it.

I presume that tax relief helped you afford the downpayment?

Mrs. Williams. Yes, it did. And it also helped with Noah's nursery, and we did home renovations around the house too.

The President. Yes, see? Did you have to buy something to do the home renovation?

Mrs. Williams. The home? [*Laughter*]

The President. No, I know. To do the renovation in the home. You had to buy the home, that's for sure. [*Laughter*]

Mrs. Williams. No hard questions. [*Laughter*]

The President. Did you go to your local store and—[*laughter*].

Mrs. Williams. Yes. Yes. [*Laughter*]

The President. You did? That's called stimulating demand. The tax relief helped them buy the home; it helped them renovate their home. And when they renovated the home, they had to buy something to renovate it with. That's how it works. That's how the economy works. That's why you want to unleash the individual decision-making. See, the economy works on the decisions made by consumers, not by Government people. That's how it works.

And so this good family's decisionmaking was affected by good tax policy. And she owns her own home. We've got plans that encourage others to own their own home. We've got a downpayment plan to help those who can't afford downpayments. We've got counseling programs to help people understand the fine print. You know, a lot of first-time homebuyers—I don't know if that affected you or not—but they take a look at that contract; you know, "I'm not so sure I want to sign." You need a magnifying glass to read the print. And so we've got counselors to help people, first-time homebuyers, to understand the contracts they're signing.

I love it when, in this country, more and more people are opening up the door where they live and saying, "Welcome to my home. Welcome to my piece of property."

Good job. Thanks for coming. Give Noah a hug.

Mrs. Williams. I will.

The President. Kevin is with us. He is—what do you do, Kevin?

Kevin McElligott. I'm an insurance agent.

The President. Good. So you know something about that which you're able to talk about.

Mr. McElligott. Well, property and casualty, but I do work with health care.

The President. Yes. Anyway, he's the owner of a health savings account. Explain to people what that means.

Mr. McElligott. It's an insurance policy. It's a high deductible, around \$4,000. We recently just got a couple quotes, conventional versus HSA. Conventional is approximately 50 percent higher. My employer—thank you—takes that money in savings and gives it back to my family in a bank account that we can use for our deductible.

The President. Yes, okay, let me—let me help. [*Laughter*] He owns one. I don't yet. So what he's saying is, is that they purchased a high deductible insurance policy. In his case—I mean, you can get all kinds

of deductibles—but in his case, they’ve chosen a 4,000—is that right—

Mr. McElligott. Correct.

The President. —dollar deductible, meaning the insurance pays the cost of health care above \$4,000. And when you have a high deductible policy, it costs you a lot less than a regular insurance policy does. In other words, you—

Mr. McElligott. About 50 percent.

The President. Fifty percent. So what does it cost you a month for your high deductible, roughly?

Mr. McElligott. Four hundred and ninety dollars a month.

The President. Yes. So the other one would have been—

Mr. McElligott. Seven hundred and forty.

The President. Something like that. So, in other words, you start paying this to buy this high deductible. And so you say to yourself what about—what happens between zero and 4,000, in his case? And what they’ve done, and what anybody in America can now do because of the new law, is set up a savings account that you call your own. Your company helps you with the savings?

Mr. McElligott. They take the money that they save from the conventional, from the HSA, and puts that right in your account.

The President. So they put it in an account. So here he’s got—think about this now—a family has got \$4,000 of cash, earning interest tax-free—it’s put in the account tax-free; it comes out tax-free—that they call their own. If they have expenses above \$4,000, the insurance policy kicks in. The company contributes the money into the account. Think about, now, what this means. It means he controls the decision-making process, not some, you know, insurance executive or insurance worker somewhere. But Kevin and his family makes the decisions.

If there—spends less than \$4,000 in the year, the money rolls over to the next year tax-free. It’s his money at this point in time.

He owns the account. If he changed jobs, the account goes with him. This is a new way for health insurance that does a lot of interesting things. It makes sure Kevin is the decisionmaker. Is that right?

Mr. McElligott. Yes, we have the freedom to choose which doctor, which hospital, which pharmacy we use.

The President. It’s very important. Secondly, it provides an interesting incentive, doesn’t it, for he and his family to make healthy choices, like walking every day or running every day or swimming every—exercising. It’s proven that if you take time out to exercise, you’ll have less disease. And as less disease happens, he’s got more money in his account. This is an account that makes sure the decisionmaking is between Kevin and the doctors, not between bureaucrats in Washington, DC. What else can you say about it?

Mr. McElligott. Well, I have a wife and three kids. Just to let you know, we use our health care. I have a 3-year-old, Jack, 8-year-old, Laura, and a 10-year-old, Chris, so we do use the doctor. And we’ve been on this for 3 years, and I don’t have one nickel out-of-pocket for medical care in 3 years.

The President. Yes, I want people to look at these.

Mr. McElligott. My wife, Michelle.

The President. It’s a different way of doing things, as opposed to the Government telling him what to do or an insurance company saying, “Oh, we’ll just cover it.” The decisionmaking process is essential to making sure health care is available and is affordable. And this is a way to make sure people are directly involved with health care decisions. I urge everybody, small-business owners out there to look at these plans. It’s a way to make sure health care is affordable for your workers. And we’re going to make sure that low-income Americans have access to this, providing refundable tax credits that they can use in a health savings account. It’s much better if somebody owns their own health account,

than be reliant upon the Government for health care. It's much better for the system, and it's much better for the patient. Good job.

A couple of other things. In a changing world, things shouldn't change. We stand for a culture of life in which every person matters and every person counts. We stand for marriage and family, which are the foundations of this society. I also stand for putting Federal judges on the bench who know the difference between their personal opinion and the strict interpretation of the law. Okay.

Audience members. Four more years! Four more years! Four more years!

The President. Thank you all. Let me talk about one other subject. I want to talk about how to make sure this country is safer. I want to share some of the lessons I learned on September the 11th. First of all, that we face a determined enemy that has no conscience. These are—these people are—I call them ideologues of hate. They've hijacked a religion in order to justify their brutal vision of the world, and they are determined, and they are tough. The best way to do our duty to protect this country is to fight them overseas so we do not have to face them here at home, is to stay on the offense, never relent, use every asset at our disposal.

Second lesson of September the 11th is that this is a different kind of war. I wish I wasn't talking about war. It's a war that came on our shores. We didn't ask for it. Nobody wanted it, but it's the calling of our time, to protect this country. It's a different kind of war than we're used to. We face these ideologues who will hide in the cities or caves, and therefore, a doctrine—I laid out a doctrine that said, "You can't harbor these people. If you do, you're just as guilty." In order to protect ourselves, we have said to people around the world, "You will be held to account."

Now, when the President has said something, in order to sure this world stays peaceful, he better mean what he says.

That's why, in the course of politics, you can't keep changing your position. You can't react to the political situation and say, "Well, now I believe this," or, "I believe that." There has to be a steadiness when it comes to securing this country. And so when I said, "If you harbor terrorists," I was speaking directly to the Taliban who had been harboring Al Qaida—as a matter of fact, thousands trained in Afghanistan—I meant what I said. They didn't believe me, and they're no longer in power, and the world is better off for it.

I want you to think about what's happening in Afghanistan. Three years ago or a little over 3 years ago, many young girls didn't get to go to school because the Taliban had such a dim vision of the world. Women were taken into the public square and whipped, or sports stadiums and killed if they didn't adhere to the strict doctrine of hatefulness. That was the reality and the truth. Plus, they were dangerous, dangerous because Al Qaida, the parasite, was slowly but surely taking over the host.

Today, in Afghanistan, 10 million citizens, 41 percent of whom are women, have registered to vote in a Presidential election that will take place in 10 days. As a matter of fact, I think it's a week from today. If I'm not mistaken, the election is a week from today. I could be corrected. But think about that. People that once lived in darkness are now living in light. Freedom is coming to Afghanistan, and it's important for our future to understand the ramifications of a free Afghanistan. First of all, it serves as a beacon for others to see. Secondly, we now have an ally in the war on terror, not an enemy.

And in Iraq, it's been tough work there, just like the tough decision I had to make, which is the third lesson of September the 11th. When we see a threat, we must deal with it before it materializes. If we see a—this is an important lesson to remember—prior to September the 11th, it used to be we'd see a threat and say, "Well, we may deal with it or may not deal with

it, but it certainly can't come home to hurt us." That changed on that day. Our history changed. It's essential that the President and the people of this country never forget that threats must be dealt with before they fully materialize.

I saw a threat in Saddam Hussein. I'll tell you why I saw a threat. First, he was a sworn enemy of the United States of America. We had been to war with Saddam Hussein. He was shooting missiles at our pilots who were enforcing the world's sanctions. He had terrorist connections, Abu Nidal, Abu Abbas. Zarqawi was in and out of Baghdad. He ordered the killing of an American citizen from Baghdad, Foley. This is before the—before we went in. Saddam Hussein had used weapons of mass destruction. I understood—I understand today that the connection between weapons of mass destruction and the terrorist network is the biggest threat we face.

So I saw a threat. And I went to the Congress. And they looked at the same intelligence I looked at and concluded Saddam was a threat, and they authorized the use of force. My opponent looked at the same intelligence and voted yes when it came time to authorize the use of force. I guess it matters what the definition of yes is in his mind. *[Laughter]*

Before the Commander in Chief commits troops into harm's way, he must try everything else, and I did. I understood the consequences of putting our kids in harm's way. That's why I went to the United Nations, and I said, "Well, here's a threat." They looked at the same intelligence and, as they had 16 different times, passed another resolution. And the resolution said, "Disclose, disarm, or face serious consequences." A President must mean what he says; international bodies must mean what they say, too, in order to make this world a peaceful place.

Saddam Hussein just didn't pay attention to it. He wasn't interested in resolutions. Why should he be? The first 16 didn't mean anything to him. My opponent the

other night said, "Well, we should have passed another resolution." What, the 18th resolution is going to all the sudden make sense to Saddam Hussein? No, he's just waiting for the world to turn a blind eye.

We didn't find the stockpiles we found—that we thought would be there. We thought they'd be there. Everybody thought they'd be. But he had that capability of making those weapons. And when the world turned a blind eye, you can bet he would have.

So the U.N. obviously wasn't interested in—I mean, Saddam wasn't interested in listening to the U.N. Diplomacy wasn't working. The other night, my opponent said, "Well, we should have let the inspectors work." The inspectors were being deceived. The facts are, as David Kay pointed out, the reality on the ground was that the inspectors were being deceived. How can the inspectors work if they're being deceived? So I have a choice at this time. Diplomacy has failed. Saddam Hussein is basically thumbing his nose at the world again, and the choice is this: Do I take the word of a madman, do I hope for the best with Saddam Hussein, do I forget the lessons of September the 11th, or take action necessary to defend this country? Given that choice, I will defend our country every time. *[Applause]*

Thank you all.

In the debate Thursday night, my opponent continued his pattern of confusing contradictions about Iraq. After voting for the war and after saying my decision to remove Saddam Hussein from power was right, he says, now, "It was all a mistake." He's changing. Then he was asked if our troops were dying for a mistake. He said, "No." See, you can't have it both ways. You can't say it was a mistake and then it was not a mistake. You can't be getting—you can't be for getting rid of Saddam Hussein when things look good and against it when things look bad. You can't claim that terrorists are pouring across the border into Iraq, yet at the same time, try

to claim that Iraq is a grand diversion from the war against terror. A President cannot keep changing his mind. A President must be consistent. A President must speak clearly, and a President must mean what he says. [Applause]

Thank you all.

A couple of other things. A couple of other things.

Audience member. We love you, George!

The President. In the debate, my opponent said something really revealing when he laid out the Kerry doctrine. He said that America has to pass a “global test” before we can use American troops to defend ourselves.

Audience members. Boo-o-o!

The President. You might remember that part of the debate, what he said. See, Senator Kerry’s approach to foreign policy would give foreign governments veto power over national security decisions. I have a different view. When our country is in danger, it’s not the President’s job to take an international poll. It’s the President’s job to defend this country. I work hard with our friends and allies. I just talked to my friend Tony Blair on the bus coming into Mansfield. We’ll continue working with our friends and allies for the sake of freedom and peace, but our national security decisions will be made in the Oval Office, not in foreign capitals.

A couple of other points I want to make for you. The—we’ve got to support our military when they’re in harm’s way. It’s really important. We owe it to the troops in uniform. We owe it to their loved ones too. That’s why I went to the United States Congress and asked for \$87 billion of supplemental funding in September of ’03, and the response was great. Members of both political parties understood that we needed to support our troops in harm’s way and voted overwhelmingly for my request. Four United States Senators voted for the authorization of force and against funding, four of a hundred, two of whom are my opponent and his runningmate. [Laughter]

Think about that, four Members said, “Yes, we’ll authorize force, but we’re not going to give you what you need.” That’s politics, isn’t it? So they asked him, they said, “Well, why?” And he said, “Well, I actually did vote for the \$87 billion, before I voted against it.” [Laughter] Amazing statement. [Laughter] The other night he said it was a mistake to say it. No, the mistake was not voting yes to fund our troops. That was the mistake.

Somebody said, “Well, you know, this war of yours is creating more enemy.” The enemy was plotting before we went into Iraq and Afghanistan. The enemy was being trained in Afghanistan. These ideologues of hate do not need an excuse for their killing. They’re trying to shake our will, is what they’re trying to do. They want us to withdraw.

We will stay on the offense against them two ways. One, we use every asset at our disposal. Our troops are doing a great job in Iraq. They are—and they’re helping us implement our strategy. Our strategy was to transfer sovereignty, which we did early, to a Government run by a strong leader in Prime Minister Allawi. Our strategy is to train Iraqis so they can fight these folks who are trying to stop the advance of freedom, and we’re making progress. We’ve trained 100,000. We’ll have 125,000 trained by the end of this year, and these soldiers are doing good work. Look on your TV screens, what’s taking place in Samarra. The Iraqi soldiers are working hard, and you shouldn’t be surprised. They want to live in freedom. They understand a free society will mean a hopeful society for their children.

There’s a reason why Zarqawi and others are fighting. They can’t stand the thought of freedom. They understand how powerful a free society will be in contrast to their dark view of the world. The best way to defeat terrorism in the long term is to defeat hopelessness and poverty by spreading liberty and freedom, and that’s why this battle is taking place in Iraq. And that’s

why it's important signal to our troops. The President should never send mixed signals. We should never send confusing signals to friends and foe alike.

We'll continue our rebuilding efforts to help these people get up and going. We've got \$7 million obligated to be spent over the next months. There will be elections in January. It's one thing to be realistic, but I think you can be realistic and optimistic. I believe we're going to succeed. As a matter of fact, I'm confident we'll succeed so long as we don't lose our will. And when we succeed, we'll have done our duty to protect America. Not only will we have removed a tyrant that had been a source of great instability and danger to our country, we will have helped a country grow in democracy. And that's important, because I believe in the power of liberty to transform societies.

I tell people this so people can understand better what I'm talking about. I've got a great relationship with Prime Minister Koizumi of Japan, an interesting guy. I saw him in New York a while ago at the U.N., and I said, "I'm telling people in our country about our relationship. Do you mind?" He said, "No, not at all. It's okay." He likes Elvis. *[Laughter]* I didn't tell him that part. I don't think he would mind. Do you mind, friend? Anyway, it's interesting to think about this conversation—these conversations we have with him, though, in this context. Fifty years ago, we were fighting the Japanese. Think about that. They were a sworn enemy of the United States of America. Fifty years isn't all that long, unless, of course, you're 58 years old, which seems like—*[laughter]*—seems like an eternity. *[Laughter]*

Anyway, so we were at war with a sworn enemy. My dad fought there. I'm sure, confident, other relatives of yours fought there as well. And yet, after that war was over, Harry S. Truman and others said, "Why don't we help Japan become a democracy so it becomes a peaceful part of the world?" There were skeptics in America

then, of course. You can imagine, many of the families were saying, "Wait a minute." Many of the families of the deceased were saying, "Wait a minute. Why would we want to help an enemy that killed my loved one become a democracy? Why would we want to help them at all?" But we had a belief that still stands today, that liberty can transform societies, liberty can cause an enemy to become a friend.

And so, today, I sit down with Prime Minister Koizumi talking about the peace we all want, talking about how to make this world a more peaceful place. Someday, an American President will be sitting down with the duly elected leader of Iraq talking about the peace in the greater Middle East. And our children and our grandchildren will be better off for it.

I believe people throughout the world long to live in free societies. I believe the women of the Middle East want to be free. I believe if given a chance, people will choose the form of government which enables people to better realize their dream, democracy. I believe all these things not because freedom is America's gift to the world—it's not—freedom is the Almighty God's gift to each man and woman in this world.

And so I've come here to Mansfield, Ohio. I've come here to let you know I've got a reason for asking for the vote again. I clearly see where this country needs to go. I strongly believe that when I get 4 more years, this country will be a safer place, a stronger place, and a better place for everybody who lives here.

Thanks for coming. On to victory. God bless.

NOTE: The President spoke at 12:15 p.m. at the Renaissance Theater. In his remarks, he referred to Robert T. Bennett, chairman, Ohio Republican Party; Senator Zell Miller of Georgia, who made the keynote address at the 2004 Republican National Convention; senior Al Qaida associate Abu Musab Al

Zargawi; David Kay, former CIA Special Advisor for Strategy Regarding Iraqi Weapons of Mass Destruction Programs; Prime Minister Tony Blair of the United Kingdom; Prime Minister Ayad Allawi of the Iraqi In-

terim Government; and Prime Minister Junichiro Koizumi of Japan. A portion of these remarks could not be verified because the tape was incomplete.

Remarks in Cuyahoga Falls, Ohio October 2, 2004

The President. Thank you all for coming.

Audience members. Four more years! Four more years! Four more years!

The President. Thank you all. The sun is shining on Ohio. I'm thrilled to be here. I am the first sitting President ever to come to this fine city. The rest of them missed a great place. I'm so proud you all came out today.

I'm so honored to be standing up here with Chuck Canterbury to receive the endorsement of the Fraternal Order of the Police. It means a lot to get the endorsement from those who serve our country on a daily basis to make it safe. I'm proud of that endorsement. I want to thank Jim Pasco and Nick DiMarco as well as all the Fraternal Order of Police folks standing behind me.

I want to thank you all for coming. I'm here to ask for your vote. We're getting closer and closer to election day, and I'm here to ask for your help as well. Go out and register your friends and your neighbors. Tell them they have a duty in America to vote. In a free society, we have an obligation to go to the polls. Make sure you don't overlook those discerning Democrats, either—[laughter]—like Zell Miller. Or my friend the mayor of Youngstown, Ohio, George McKelvey. I'm proud you're here, Mr. Mayor. I'm proud to call you friend, and I'm proud to call you supporter. Thanks for coming.

Then after you get them registered to vote, get them headed to the polls. And remind them that if they want a safer

America, a stronger America, and a better America, to put me and Dick Cheney back in office.

Listen, I have one regret, and that is that Laura isn't here with me.

Audience members. Aw-w-w!

The President. Yes, I know. I hear it all the time, "Why didn't you send Laura, and you stay at home?" [Laughter] True story. She said, "Fine, I'll marry you," when I asked her, but she said, "I don't ever want to have to give a speech." [Laughter] I said, "You got a deal." [Laughter] Fortunately, she didn't hold me to my word. The country got to see Laura speaking in New York City at that convention. They got to see a strong, decent, fine woman. Laura is a great First Lady. I'm really proud of her. I'm going to give you some reasons to put me back in, but perhaps the most important one of all is so that Laura is the First Lady for 4 more years.

And I'm proud of my Vice President, Dick Cheney. He's warming up. [Laughter] He'll be right around the corner pretty soon. He's not going to have the waviest hair on the set. [Laughter] I didn't pick him for his hair. [Laughter] I picked him because of his judgment and his sound experience. Dick Cheney is getting the job done for the American people.

I'm proud of your United States Senator Mike DeWine. Thanks for coming, Mike. I'm honored you're here. Speaking about Senators, you've got another good one in George Voinovich. You need to put him back in. He's doing Ohio good work. He's