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Jobs & Economic Growth

For Immediate Release
Office of the Press Secretary
February 9, 2004

President Meets with Workers and Small Business Owners on Economy

Remarks by the President in a Conversation on the Economy
SRC Automotive
Springfield, Missouri

 [Fact Sheet](#)

12:25 P.M. CST

THE PRESIDENT: Jack, thanks for having me. I want to thank the good folks who work here for allowing us to disrupt your day to talk about our economy and how it works. And hopefully out of this discussion, people will learn better how people make decisions, decisions with their own money or decisions with investor's money. I hope people come away from this discussion with this great sense of optimism about the future for our country. It's exactly what I believe. I believe we ought to be -- (Applause).

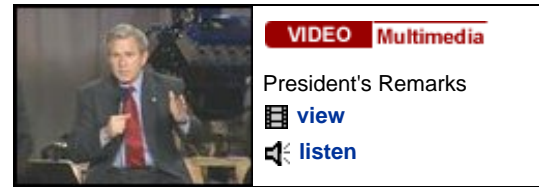
So this ought to be a lot of fun. I am thrilled to be here with the two United States Senators from Missouri, Kit Bond and Jim Talent. I appreciate their friendship and thank them for coming. (Applause.) Congressman Roy Blunt, who you know well, is with us today. (Applause.) He's a man who knows a good deal. I said, would you like to fly down to your home town on Air Force One? (Laughter.) Guess what his answer was? (Laughter.)

I appreciate the Mayor coming, Tom Carlson. Mr. Mayor, thank you for being here. (Applause.) Fill the potholes. (Laughter and applause.) Sorry, Mr. Mayor, you didn't ask for any advice. (Laughter.)

I also want to thank the other state and local officials and community and business leaders for coming here. Thank you all for coming, as well.

Before I begin to talk a little bit about the economy, and then of course have our panelists talk about what they think, and some of the decision-making they made, I want to introduce a fellow who you may or may not know. His name is Travis Morrison. Travis, why don't you stand up right quick. (Applause.) I guess you know Travis. (Laughter.) I didn't until I arrived, but I know a lot of people like Travis.

See, Travis is a person who takes time out of his life to volunteer in your community. When the tornados hit here, he went up to help those who suffered. When people are looking for food, particularly children, he's willing to take time out of his life to fill the knapsacks full of food for the kids. He walks for the March of Dimes. He works for the United Way. He's a soldier in the army of compassion.



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A lot of times, this country talks about our strengths, and we should. We talk about the military strength of America. And that's important. And we're going to keep us strong. We talk about how fat our wallets may be, and that's important, too. But the true strength of America is found in the hearts and souls of people like Travis, people who are willing to love their neighbor, just like they would like to love themselves. (Applause.)

I like to talk about the Travis Morrisons of the world because everybody can be an army -- a soldier in the army of compassion. Everybody can make a difference. This country's strength is found in the faith centers and neighborhoods and community centers, where people help somebody who hurts. And one of my jobs is to lift that spirit of America and invigorate it and to call people to action. One of the best ways to do so is to remind people that in Springfield, Missouri, there are thousands of people like Travis, and if you want to help your community, help make somebody's life a little brighter. Travis, thanks for what you do. Thanks for being a solid, sound American by volunteering to help somebody who hurts.

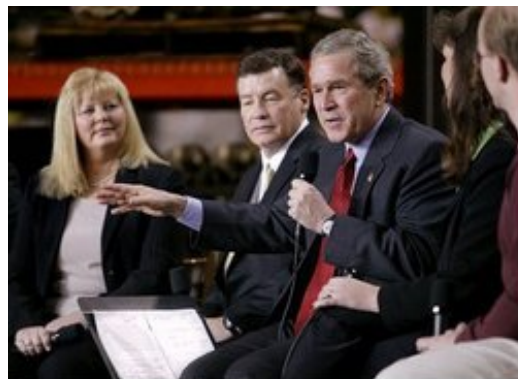


Speaking about strengths, our country has been through a lot over the last three years. I just want you to think about what the economy has been through. In March of 2000, the stock market started to decline, and that matters if you own stocks. And a lot of you do. You own them through your retirement accounts, for example. It was an indication of the rough times ahead. See, when a stock market sometimes indicates -- is a predictor of the future, and sure enough, in the first quarter of 2001, the country was in a recession. And when you're in a recession, it means somebody is not going to be able to work. Things are going backwards. The economy is in decline. People are starting to get laid off. There's a lot of uncertainty out there. People just aren't sure what their future looks like. It's tough times when the country is in a recession.

We started to recover from the recession, and then we got attacked on September the 11th, 2001. In other words, we had tough economic times to begin with, and then the enemy hit us. And that changed us. It really did. It hurt us economically. It changed our whole outlook about the world. Perhaps by now, you're beginning to get an impression of how it changed my outlook. It changed the way I look at the threats to America. It reminded me that my most important duty, my most solemn obligation is to protect our country and the people. I'll never forget the lessons of September the 11th, and when I see a grave and gathering threat to the United States, we will deal with it. We will deal with it for the good of our country. (Applause.)

The war on terror goes on, unfortunately. But we're going to win. We're going to win because America is tough and strong and disciplined and patient. We'll win because we've got fabulous men and women in the United States military who are willing to sacrifice for our own security and for the freedom. (Applause.)

And, then, after we settled in with the new reality of the world, we discovered that some of the corporate citizens in America forgot what it meant to be a responsible citizen. See, when you're a CEO of a corporation, you have a responsibility -- Jack knows that and I suspect he might talk about -- at least when he talks, you'll hear he recognizes that. But we had some people in this country who didn't tell the truth to their shareholders and their employees.



By the way, we passed laws -- and I want to thank the senators and the congressmen who are here -- we passed laws, and now they know there will be a consequence in America for not telling the truth. We expect people in positions of responsibility, in CEO America, in corporate America, to be honest to their shareholders and their employees. That affected the people's confidence. Make no mistake about it, when we started reading that some of these CEOs of publicly-held companies lied with the numbers, it affected people's confidence.

And then, of course, as you know, I made the tough decision to secure America by -- after having gone to the United Nations and after having worked to give Mr. Saddam Hussein a chance to disarm himself. To do what the world had demanded, we went and disarmed him. (Applause.)

The march to war affected the people's confidence. It's hard to make investment. See, if you're a small business owner or a large business owner and you're thinking about investing, you've got to be optimistic when you invest. Except when you're marching to war, it's not a very optimistic thought, is it? In other words, it's the opposite of optimistic when you're thinking you're going to war. War is not conducive to -- for investment.

And so we've overcome a lot. And I say we've overcome a lot because we're growing. The growth is good. New jobs are being created. Interest rates are low. Home ownership in America is at one of the highest levels ever, and that's positive. People are owning their own home. (Applause.)

A lot of it had to do with the fact that we cut your taxes, a lot of the reasons why this economy is growing. (Applause.) Make no mistake about it, the main reason the economy is growing is because the entrepreneurial spirit of America is strong and we've got the greatest workers in the world. (Applause.) But it helps when those workers have got more money in their pocket. And it helps when the small business owners have got more money in their coffers. And that's what tax relief does. See, when you cut the taxes for the people, you let them keep more of their own money. It means somebody is going to demand an additional good or a service, and when they demand an additional good or a service in our economy, somebody is going to produce that good or a service. And when somebody produces it, somebody is more likely to find work.

And, secondly, we did some smart things with the tax relief. We said if you have a child, you ought to get help with raising that child, so we increased the child credit to \$1,000 per child. (Applause.) It says that we want to -- we want the tax code to work the right way. We used to penalize marriage. That didn't make any sense. We ought to be rewarding marriage in the tax code -- and so there was a marriage penalty. (Applause.)

We helped small businesses by encouraging them to invest. We cut the taxes on everybody. Sometimes in Washington you see them play favorites -- so-and-so gets a tax relief, so-and-so doesn't. My attitude is, if you're going to give tax relief, you ought to give it to everybody who pays taxes. (Applause.) And we did that, and it's helping. People have got more money in their pocket to spend. You know what I'm talking about.

Small businesses are feeling pretty good about their future, because there's incentives for them to invest. And by the way, it's very essential for you to understand that when you say cutting taxes on everybody who pays taxes -- in other words, you're reducing individual income tax rates -- that affects small business. Most small business owners are sole proprietorships or sub-chapter S corporations, which means they pay tax at the individual income tax rate. So when you hear us talking about cutting individual income taxes, think small business, as well.

And most new jobs in America are created by small businesses. It makes sense to invigorate the small business sector of this country. If you're worried about job creation, if you're worried about somebody finding work, it makes sense to stimulate the small business sector of this economy. And that's what we did.

Now, I want to -- before we let Jack talk -- he's probably wondering whether or not -- I'm filibustering. (Laughter.) I think that's what you call it in the Senate, isn't it? Yes. Anyway, I do want to talk to you real quick that -- this is one of the real challenges we face -- a couple of challenges. One, my attitude is, in order to make sure people can find work, that we need to open up markets for U.S. products. I believe we need to have tort reform so that these frivolous and junk lawsuits -- (applause.)

I know we need tort reform particularly when it comes to health care. The costs of health care are going up dramatically. And that affects small business owners, it affects employees. One cause of increasing health care costs is the frivolous lawsuits that are running these docs out of business, that are causing people to have to practice defensive medicine. We need medical liability reform now in Washington, D.C. (Applause.)

We need association health plans so small businesses can pool risk, so they can better provide health insurance for their employees. We need health savings accounts. We've expanded them in the Medicare law, but I want people to understand they're available now. And it's a really good way for people to buy insurance, whether you're a small business owner and/or an employee. People ought to look into health savings accounts.

We want less regulation. We need an energy plan. We need to be less dependent on foreign sources of

energy. If you're a business, you need to have reliable sources of energy available. But I don't know if you know this or not, but the tax relief we passed is set to expire, parts of it. And some of it's going to expire next year in 2005. In other words, the child credit is going down in 2005 unless Congress acts. The marriage penalty is going back up in 2005 unless Congress acts. And that's going to be an interesting part of the national dialogue. I believe we need to make the tax cuts permanent. (Applause.)

There are some in Washington and they're going to say, let's not make the tax cuts permanent. That means it's going to raise your taxes. When you hear people say, we're not going to make this permanent, that means tax increase. Now is not the time to raise taxes on the American people. This economy is getting better. We're showing good growth, good strong growth. Yet, some in Washington want to raise your taxes. Make no mistake about it -- let me tell you what's going to happen when they raise them. They're going to say, oh, we've got to raise it so we can pay down the deficit. No. They're going to raise the taxes and increase the size of the federal government, which would be bad for the United States economy.

People have got to understand and listen to the rhetoric carefully. When they say, we're going to repeal Bush's tax cuts, that means they're going to raise your taxes, and that's wrong, and that's bad economics. (Applause.)

Anyway, that's enough from me. (Laughter.)

MR. STACK: I'm stimulated, stimulated.

THE PRESIDENT: I'm not interested in you being stimulated, I'm interested in the economy being stimulated. (Laughter.) And since you're an entrepreneur -- (laughter). See, one of the things that's fabulous about this country is people can start their own business. We want people owning something in America. We want you owning your home; we want you owning your own business; we want you owning your retirement account or your health care plan; we want you managing your affairs.

And Jack understands what it means to own something. He's an entrepreneur. He's a risk-taker. And as a result of being an entrepreneur and a risk-taker and somebody who has actually made it happen in a positive way, he's also an employer. He's hiring people.

So, Jack, thanks for your -- letting me come by.

MR. STACK: It's nice to have you here. You are definitely the toughest act to follow I've ever had in my entire life. (Laughter.)

THE PRESIDENT: I think you can handle it.

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THE PRESIDENT: He said bonus depreciation. That means that it was the tax relief passed by Congress encouraged him to invest. When he buys a piece of equipment, somebody has to make the equipment, which means somebody is more likely to find a job. So when Jack makes a decision to buy a piece of equipment, based upon the tax relief, he really says, I'm going to not only help my workers become more productive -- which means better pay over time -- but it means somebody is going to have to make the equipment. And that's how the economy works. It's an economy that responds to the decision-making process of a lot of people around the world like Jack.

He said he's going to add employees. That's great. That's what I'm hearing all over the country. You know, ten people here, 15 people there, but it adds up in America. It adds up because there's a lot of entrepreneurs and a lot of small businesses. In order to figure out how this economy is going to do and whether or not to be upbeat about it, just listen to the business owners, the small business owners who are on the leading edge of hiring folks.

We've got a fellow here named Mike Sadler. Mike is the President of Custom Manufacturing and Polishing. Why don't you tell us what you do.

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THE PRESIDENT: Mike's company is a sub-chapter S. That's a legal term for they pay tax at the individual income tax rate. So when you hear people talking about reducing individual income tax rates, you're really cutting taxes on his business, as well. That's important if you're interested in job growth because he has got more money in his coffers, money that will enable him to more likely hire somebody as the demand for his products stay strong, money that will enable him to pay for health care benefits for employees.

In other words, money available in the private sector, and particularly in the small business coffers, is money that's going to be put to good use. It's money that's going to make it easier for somebody to find a job. And I'm telling you, Congress should not raise the taxes on people that are creating jobs and of people that are spending this money wisely.

So I want to thank you, Mike, for coming. I appreciate you're entrepreneurial spirit. You hiring anybody this year?

MR. SADLER: We're probably going to get two or three, yet, this year.

THE PRESIDENT: Two here, or three there, all of a sudden, it starts adding up all across the country.

Tricia is with us. Tricia Derges is the President and CEO of Mostly Memories. It's an interesting name.

MS. DERGES: It's an interesting company.

THE PRESIDENT: All right, well, tell us about it.

* * * * *

THE PRESIDENT: Good. Let me just pick up a couple of things she said. One, she is going to invest. I don't want to get repetitive, but I'm going to -- somebody has got to make the conveyor belt. (Laughter.) That's how the economy works. When your people talk about stimulating the economy, tax relief encourages her to make a decision, and that decision then affects somebody's ability to find work.

Secondly, she talked about people who have been laid off. One of the most important things our society must do is to train people for jobs which exist. And I hope that the state of Missouri uses the community college system here in a way that says, let's devise curriculum based upon the needs of the employers, so that people can find work. We've constantly got to upgrade the skills of our fellow citizens. As this economy changes, people need to get -- learn new skills. And the best place to do that is a place like the community college. That's why I've called on Congress to provide money for job training.

And I'm sure you had to help these people learn their jobs. But it's amazing what happens when people are able to gain new skills and a new lease on life, be more productive as a worker. Higher productivity means better pay.

I'll never forget meeting a lady in Arizona, where she told me that she had worked 15 years as a graphic artist, went to community college, took some courses, then got employed by a high-tech company, and makes more in her first year in her new job as she did after 15 years in her old job. And so education provides ample opportunity for new workers if it's done right. And the best way to do it is to trust the local people to put a curriculum in place to train people for jobs which actually exist.

Mr. Mayor, this is a good way to recruit business, by the way, is if you've got a good worker training program so that the employers know that they can find somebody who can do the job.

Speaking about people doing the job, Gary Brown is with us. He's a warehouse supervisor here at SRC Automotive. Thanks for being with us. You've got kids, you've got --

MR. BROWN: Yes, a lot of kids.

THE PRESIDENT: How many have you got?

MR. BROWN: I have four kids.

THE PRESIDENT: That is a lot. (Laughter.)

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THE PRESIDENT: He got tax relief. See, everybody who pays taxes got tax relief. He told me, about \$3,000.

MR. BROWN: That's right.

THE PRESIDENT: That may not sound like a lot -- might not sound a lot to somebody; it's a lot to him. (Applause.)

MR. BROWN: Yes, it is.

THE PRESIDENT: Sounds like a lot to me. (Applause.)

MR. BROWN: Yes, and if we continue going down that road, it's only going to help us to -- my wife is a stay-at-home mom, we home-school all our kids. And we'd like to continue that --

THE PRESIDENT: Congratulations.

MR. BROWN: -- and, hopefully, keep them home-schooled and with a good education.

THE PRESIDENT: Yes, that's a -- first of all, Mom, you're doing -- that's tough. (Laughter.) But it's -- I appreciate that. I appreciate the idea of you wanting to give your children the education from you and the mom. Tax relief helps; \$3,000 makes it a little easier for mom to stay at home, to help them meet their dreams and aspirations.

I'm going to tell you what's going to happen if Congress doesn't make this permanent. When the child credit goes back down, this man and his family are going to pay \$1,500 more -- let me rephrase that -- instead of \$3,000 a year, they're only going to receive \$1,500 a year from the government. That's like a \$1,500-tax increase. Now is not the time for Congress to be raising taxes on the people. (Applause.)

MR. BROWN: To put some -- talk about my wife a little bit. One thing she also does is she also takes care of my nephew, whose mom is right now serving in the 203rd Engineer Battalion in Iraq. (Applause.)

THE PRESIDENT: Fabulous. Yes, thanks. I appreciate that. Pass the word, the Commander-in-Chief is incredibly proud.

MR. BROWN: I will.

THE PRESIDENT: Thank her for her service. (Applause.) And you might remind her, when Iraq is free and democratic and peaceful, it will change the world.

These are historic times. These are times where we have a chance to define a more peaceful world for our children. I mean, we'll keep America secure by taking -- making the tough decisions, by speaking clearly and by being strong. But it's also important for our fellow citizens -- and people who wear our uniform can attest to this -- that a free Iraq in the midst of a part of the world where there's such hatred, such despondency and hopelessness, will be an historic moment for world peace. See, free societies are peaceful societies. People need to see what can happen when there's a free society.

And you tell your relative --

MR. BROWN: Sister.

THE PRESIDENT: Sister, you tell your sister, thanks a lot. And it's a meaningful sacrifice she is making. (Applause.)

MR. BROWN: Thank you.

THE PRESIDENT: Teresa, thanks for coming.

MS. NOBLITT: It's an honor to be here with you.

THE PRESIDENT: You don't have a big family, do you?

MS. NOBLITT: Yes.

THE PRESIDENT: How many kids?

MS. NOBLITT: Four. (Laughter.)

THE PRESIDENT: It seems to be running here -- is this company policy? (Laughter.) You've got five -- six. (Applause.)

Tell us about yourself. You're an accountant?

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THE PRESIDENT: Yes, that's good. See, one of the things she's saying is that with the tax relief means she can save more money and put it aside for her kid's education. That's noble and important.

See, tax relief can be used to spend, and that's good, because it increases consumer demand, but tax relief also is being saved by a lot of our families, and that savings are really important in a society that rests upon the flow of capital. Savings actually is capital to be invested so people can find work. Tax relief is vital.

This family received \$2,700 in tax relief this year, every year, unless Congress, of course, doesn't act. When the child credit goes down and the marriage penalty goes up, which is going to happen in '05 unless this Congress acts, makes the decision, does what is right, this good family will pay \$1,300 -- have \$1,300 less in money to spend. And it means people in Congress will be spending it.

Now, we've got plenty of money in Washington. I would rather have Teresa making the decision with that \$1,300 than the people in Congress. She makes wise decisions with her money. (Applause.)

I hope you've enjoyed the conversation. I have. One of the things that you hear if you listen carefully to what these folks are saying is that government policies can make a difference in people's lives in a positive way. The entrepreneurial spirit in this country is strong. You've got people who started businesses out of garages and had people delivering goods in the streets, and they had to kick them out and make them go get a warehouse. (Laughter.) A guy takes a huge risk on a giant debt to equity ratio and has succeeded. People buy the company. A man over here buys a company. This is -- I love the entrepreneurial spirit in the country. And tax policy has got to encourage it. (Applause.)

And we're going to keep it strong here in America. The other thing you hear, mothers and dads doing their duty, being responsible citizens by loving their children. Government needs to stand with the moms and dads. We need to be squarely on their side, whether it be sending signals to professional sports teams, we're not going to put up with any -- you ought not to be putting up with any steroid use amongst your players. We ought to be supporting the moms and dads who are trying to teach their children the right lessons in life. We also ought to be supporting helping them raise their kids. And tax relief helps people raise their children.

I'm glad you all came. I'm thrilled to be back in this part of our country, the great Springfield, Missouri. It's got

good folks here, good, honest, down-to-earth, hardworking people that really represent the backbone of America. I'm proud that you all sat us there today and shared your stories with us. I hope the people listening have a better sense of how this economy works. I hope the people listening come away with a great sense of optimism about the future of America, primarily because the great strength of America is the people of this country. And you just heard five good people talk about America and where we're headed.

May God bless you all, and may God continue to bless this country. (Applause.)

END 1:09 P.M. CST

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