

reaffirm the value of friendship, celebrate family, and look forward to a hopeful future.

As our Nation continues to welcome new opportunities and face new challenges, the Lunar New Year reflects our country's ongoing dedication to affirming the vitality of our traditions, strengthening our relationships with our neighbors, and building a peaceful, more prosperous future for all.

Laura joins me in sending our best wishes for peace, health, and happiness in the New Year.

George W. Bush

NOTE: This message was released by the Office of the Press Secretary on January 29. An original was not available for verification of the content of this message.

Remarks in Grand Rapids, Michigan January 29, 2003

Thank you all. I'm anxious to get started. [*Laughter*] So I woke up this morning, and Laura said, "Where are you going?" I said, "Grand Rapids, thankfully." And she said, "Home of a great American, Gerald Ford"—and home to many great Americans.

I want to thank you for your hospitality. She said, "I've got a suggestion for you, shorten your speech." [*Laughter*] I want to share some of my thoughts about that speech I gave last night. It's important for me to come to parts of our country and explain why I said what I said, so that you and others around our country clearly understand some things about the country and the problems we face. First thing I want you to know is that there's no doubt in my mind that we can accomplish our objectives, because we're the finest nation, full of the greatest people on the face of this Earth.

Thanks for coming. I also want to thank my friend Tommy Thompson, who is the Secretary of Health and Human Services, for leaving a comfortable life and serving our Nation. You may remember, he was the Governor of Wisconsin. Don't hold it against him, here in Michigan. [*Laughter*] He's a great Governor, and he's a great Secretary of Health and Human Services. And I'm honored Tommy is serving with me.

And I want to thank your Governor and attorney general and secretary of state for joining us today. I'm honored you all are here. Thanks for taking time out of your schedules to come and greet the President and hear what I have to say.

I travel today from Washington with members of the mighty Michigan congressional delegation: Your Congressman, Vern Ehlers; neighboring Congressman Peter Hoekstra; Dave Camp and Nick Smith, also of the congressional delegation. I appreciate these Members traveling with me. I was honored to speak in their Chamber last night. I talked about things that matter to the future of this country.

Today, before I came here, I had the honor of going to Spectrum Hospital, where I visited with docs and hospital administrators and Medicare—folks on Medicare, people who hurt, and heard their stories. I will share some of that with you, because I believe part of making sure that we've got a great country is we've got a great health care system that addresses the needs of all our citizens.

Our biggest need at home, seems like to me, is to make sure that anybody who wants a job and can't find one—and if they can't find a job, we've got a problem. We've got to make sure this economy is as strong as it possibly can be.

My philosophy is, the role of Government is not to create wealth but an environment in which the small-business owner can grow to be a big-business owner, in which the entrepreneur feels confident about the future, in which people are willing to take risk and invest, which will equal jobs. And that's why I feel so strongly about making sure that people get to keep more of their own money.

We've come out of a recession. We've withstood terrorist attacks. We had some of our fellow citizens think they could fudge the books, and we're routing them out and bringing them to justice, because we believe in honesty in America. And our economy is still kind of nudging along, in spite of those setbacks. But there's more we need to do.

When a fellow American has more money in his or her pocket, they're more likely to demand a good or a service. And in the marketplace which we have in America, when

somebody demands a good or a service, somebody is more likely willing to produce that good or a service. And when somebody produces the good or a service, it means somebody is more likely to find work. That's why tax relief is such an important component about creating the environment for economic growth. It is important for the people of Michigan and America to know that when I talk about tax relief, it equals jobs.

You hear a lot of rhetoric in Washington, DC, about tax relief. You hear a lot of rhetoric about tax relief in Washington, DC, the old rhetoric of class warfare. My attitude is, if you pay taxes, you ought to get relief; the Government ought not to try to pick and choose.

Seventy percent of new jobs in America are created by small-business owners. It makes sense to try to create an environment in which the small-business owner feels confident about the future, is willing to take risk and expand jobs. It just so happens that most small businesses in America pay taxes at the income tax level because they're sole proprietorships or limited partnerships or Subchapter S's.

So when you hear me talk about tax relief, I want you to know that that will help stimulate small-business growth in America. More money in the pockets of our small-business owners means it's more likely somebody in western Michigan is able to find work.

We're trying to get rid of the effects of the marriage penalty. It doesn't make any sense to me that we tax marriage. *[Laughter]* It seems like we ought to encourage marriage in America. We ought to accelerate the increase of the child credit from \$600 to \$1,000 as quickly as possible. We ought to drop that lowest rate from 15 percent to 10 percent. All these measures have been passed. You see, what I'm talking about today is what I argued for to Congress 2 years ago. They're all law. Congress decided these were good measures. It's just that they phased them in over 3 or 5 or 7 years. We need some life in this economy. We've got people looking for jobs who can't find them. If the tax relief is good 5 years from now, it makes a lot of sense to put the tax relief in today. For the sake of our economic vitality, Congress must act.

Ten million seniors receive dividends. It's part of their retirement package. It's a part of making sure the quality of life is high. A dividend is a part of a dollar that has gone through our system that has been taxed twice. A company first pays taxes on profits, and that's right. And then they distribute the money out to a shareholder, somebody who has invested in that company, and then the shareholder gets to pay it again. The double taxation of dividends is not fair; it hurts our seniors. Congress needs to end the double taxation of dividends, for the sake of capital formation and for the sake of the quality of life for the seniors in America.

These measures will help our economy grow, and that's important for the Federal budget. It's important for State budgets. If you're worried about budgets, which we should be worried about budgets, the first question you ask is, how do you create growth in the economy? The more growth there is, the more likely it is you'll have tax revenues. Policies that stimulate growth ought to be the centerplace of public policy, not policies which discourage growth. And the growth packages I talk about will encourage economic vitality, means more tax revenues at the Federal level.

But there's two equations when it comes to deficits and balanced budgets. There's the revenue side, and then there's the spending side. I call upon the United States Congress to set clear and important priorities and not overspend the people's money.

And we have some important priorities that's reflected in my budget, not only the budget this year but the budget the last couple of years. A significant, important, vital priority is education. Our Federal Government has substantially increased the amount of Federal money we have spent on education, particularly over the last 2 years. We've increased it by another 6 percent in the budget I've submitted to Congress.

Spending money is important for education, but so is making sure that every child gets educated. It's important to spend money on priorities. It is essential that we set high standards for our children, that we challenge the soft bigotry of low expectations, that we insist that States measure so we can determine whether programs are working, so we

know whether or not children are learning to read and write and add and subtract. And equally important, it is essential that, when we find children trapped in schools which will not teach and will not change, we give parents different opportunities for their children.

Yesterday, I talked about an immeasurable part of America's strength, and that is our hearts. Compassion in this country runs deep. It's one of the really great blessings to be the President of a country where people love their neighbor like they'd like to be loved themselves, and it doesn't even require a Government program. *[Laughter]*

I do think there's a role of Government, though, when it comes to helping people in need. The Government ought to help people who cannot help themselves. And we need to recognize in Washington that there are pockets of despair and hopelessness all around our country, that in this land of plenty there are those who hurt, there are neighborhoods where the concept of the American Dream just doesn't exist, there are people who need love and affection and direction, there are people who are hopelessly addicted to drugs.

Government can spend money and should. But Government cannot put hope in people's hearts or a sense of purpose in people's lives. That happens when a fellow neighbor puts their arm around somebody who hurts and says, "I love you. Can I help you? What can I do to help you? Young lady or young man, understand that this country belongs to you and its future if you make the right decisions, and I'm here to help you make those right decisions."

Yesterday, I talked about the need to rally the great compassion of America to focus on those who hurt. Think about what it must be to be a child whose mother or dad is in prison. Imagine what kind of life that would be, growing up in this society. I have hope for those citizens because I know there is somebody there in our society who can provide the love and direction and guidance to make sure that child has a chance to succeed.

Today I came out—when I landed here at Ford Airport, I had the honor of meeting Jerry Nienhuis. He works for Kids Hope USA. I want my fellow—hi, Jerry. This pro-

gram, as Vern Ehlers was telling me, is an inspiration to many here in Grand Rapids, Michigan. I think Vern said it started right here. It shows the great social entrepreneurial spirit of our country. It's a faith-based program. It's a program—a call went out to churches in the area. They said, "If you truly love the Almighty, help somebody who hurts. Mentor a child. Mentor a child."

I said last night that we can save our society one heart, one soul, one conscience at a time. Each of us can be somebody helping. I urge you to mentor, just like Jerry has done. I urge those who are addicted to find a program that will help heal your heart. People care about you in our society. A better America is a compassionate America, where we save our country, one person at a time, and I'm confident it will happen.

A better America is one in which our health care systems work. One of the commitments we have made to our seniors is that they get good health care. This system is called Medicare. Medicare has been used as a political football, however. It's old. It's important, but it hadn't changed. I like to remind people, medicine has changed, and Medicare hadn't. It's stuck in the past. It requires all kinds of bureaucracies to allow new medicines to come forth so our seniors can take advantage of the technologies and changes in medicine.

I urged the Congress last night to put aside all the politics and to make sure the Medicare system fulfills its promise to our seniors. I believe that seniors, if they're happy with the current Medicare system, should stay on the current Medicare system. That makes sense. If you like the way things are, you shouldn't change. However, Medicare must be more flexible. Medicare must include prescription drugs. Medicare must be available to seniors in a variety of forms.

The Congress has got a good health care system for themselves and their employees and other Federal employees, which is fine. It's based upon trusting each Member of Congress to make decisions for his or her family. There's a variety of plans from which to choose. I believe it's very important for seniors to be given the same opportunities that Members of the Congress, Members of the Senate have. They ought to be able to

choose their own health care plan, including fee-for-service plans. If it's good enough for the Congress, it's good enough for the senior citizens of America.

Any good plan provides options, and any good plan makes sure seniors who cannot afford help receive help from the Federal Government. I proposed a budget where discretionary spending grew at 4 percent. Within that budget I proposed last night is a substantial increase in Medicare funding of \$400 billion on top of what we already spend, over the next 10 years. This is a commitment that America must make to our seniors. A reformed and strengthened Medicare system, plus a healthy dosage of Medicare spending in the budget, will make us say firmly, "We fulfilled our promise to the seniors of America."

We want health care to be affordable and accessible for our all our citizens, of course. One of the problems we have in our society is we've got too many junk lawsuits, too many lawsuits against docs and hospitals, too many frivolous lawsuits which cause people to practice preventative medicine, procedure after procedure, just in case they get sued. Too many people being forced to settle out of court just to get rid of the lawsuits, which drives up your cost and drives doctors and nurses out of the practice of medicine.

And it's a problem. I visited States where it's a real problem, where I've had docs come and see me and say, "I can't practice medicine anymore." I remember a baby doc that came to see me when I was in Pennsylvania. She had tears in her eyes. She said, "I love to deliver babies. I can't do it anymore. I'm being sued so much, my premiums are out of sight."

It is essential—it is essential that Congress understand what excessive litigation is doing to patients. It's driving up the cost. It makes it hard for people to get access to care, because there's fewer providers.

I've come to the conclusion that this is a Federal issue, because excessive lawsuits are driving up the cost of health care at the Federal level. Medicare costs more; Medicaid costs more; veterans benefits cost more. We need a national, Federal medical liability policy.

We can get one, but I need your help. The trial lawyers are powerful. They don't see the problem the way we see it. You need to write your Senators and make it clear to them that you, like me, expect people who have had injury to be able to have their day in court. And that's what we want. We want a judicial system that works. If somebody is hurt, they ought to have their day in court, but we need reasonable caps. We need to make sure that this lottery, this lawsuit lottery doesn't ruin the health care for citizens all across our country. It's an important piece of legislation, to help get control of costs that are running out of sight here in the medical industry today.

Domestic policy is incredibly important, and I'll spend a lot of time on it. But there's nothing more important than protecting the American people from harm. I knew one of my challenges was going to be to make sure people understood that distance between September the 11th, 2001, did not necessarily mean war had ended and your Government can relax. War has not ended. The war that people brought to our soil still goes on.

We're doing everything we can in Washington to protect our soil. We've got a new Department of Homeland Security that will be up and running here pretty quickly. It's a better way to coordinate all the assets at our disposal, to protect our borders and protect our airports, protect our infrastructure—if need be, respond in an efficient way on your behalf.

Our intelligence services, FBI, are working a lot better than ever before. The FBI's whole culture has changed from one that, "We will haul you in," to one that says, "We'll prevent a danger from happening in the first place as best we can." In other words, we're on alert.

We know that there is still an enemy which lurks, and there is—there is. And they're nothing but a bunch of coldblooded killers, by the way. You know, they just don't value life like we do. The great thing about America is we say, "Every life is precious. Everybody counts. Everybody has worth." And they just don't view it that way. They kill in the name of a false ideology based upon hatred.

And as I told the Congress last night, and the country, we're winning this war. We're chasing them down, one by one, and bringing them to justice. Make no mistake about it, we are slowly but surely dismantling their organization.

Yesterday, some of them bunched up in parts of Afghanistan. They, unfortunately, met the United States military head on—unfortunately for them. [Laughter] The reason I bring that up is our troops are still in Afghanistan, and they're doing a great job. The country needs our presence and will have our presence—needs our presence to help make sure that those remnants of Al Qaida that still lurk around the area are brought to justice. And they will be—they will be.

Our coalition is still strong. The doctrine says that either you're with us, or you're with the enemy—that still exists. And there are a lot of good people working hard all across the world to bring these people to justice. The Brits hauled in a bunch the other day. You'll see the Spaniards. We're sharing intelligence, and we're watching them. And when they pop their heads up, we're getting them, one by one.

And it doesn't matter how long it's going to take. It just doesn't matter. Slowly but surely, we will bring them to justice. Because this country understands and this generation understands, we have an obligation to protect our land. That's our most important thing we do.

And by the way, in Afghanistan, we're not leaving for another reason. We didn't go into Afghanistan as conquerors; we went in as liberators. We liberated people from the clutches of one of the most barbaric regimes imaginable, and we're helping to build schools and health care centers. Tommy was telling me they're fixing to open one up in a couple of months in Afghanistan. And we're building highways. We're helping these good people get back on their feet.

That's the great compassion about our country: We're strong in our might; we're compassionate in our vision. Everybody matters. Everybody has worth in the eyes of the American people. It doesn't matter where you're from, the nature of your religion.

Everybody counts, including the millions who suffer from AIDS in Africa. This is a

moral nation. We're a great nation. We have a chance to use our wealth and our abilities to help cure that epidemic that plagues a group of people. I call upon the generosity of the American people, at this time of tragedy, where thousands are dying, where thousands of children are being orphaned, to join in a great cause, a great humanitarian cause, a cause beyond all imaginable—a cause to solve unimaginable problems, to help the people who are needlessly dying. We can make a huge difference, a significant difference in the lives of thousands of our fellow human beings. I want people to step back at some point in time and say, "Thank God for America and our generosity as lives were saved."

My point is, our presence in the world is more than just our might, but our might is needed in the world right now to make the world a more peaceful place. The war on terror is not confined strictly to the Al Qaida that we're chasing. The war on terror extends beyond just a shadowy terrorist network. The war on terror involves Saddam Hussein because of the nature of Saddam Hussein, the history of Saddam Hussein and his willingness to terrorize, himself.

Saddam Hussein has terrorized his own people. He's terrorized his own neighborhood. He is a danger not only to countries in the region, but as I explained last night, because of Al Qaida connections, because of his history, he's a danger to the American people. And we've got to deal with him. We've got to deal with him before it is too late.

Before September the 11th, during a period when a lot of us thought oceans would protect us forever from gathering threats far from our land, the thought of containing somebody like Saddam Hussein made sense—so we could step back in America and say, "Gosh. Well, don't worry. He's only a threat to somebody in the neighborhood, and we might pick or choose whether or not we're going to help in the neighborhood." But see, our fellow citizens must understand that September the 11th, 2001, changed the equation. It's changed the strategic outlook of this country, because we're not protected

by oceans. The battlefield is here, and therefore, we must address threats today as they gather, before they become acute.

There's a reason why the world asked Saddam Hussein to disarm—for 12 years. [Laughter] And the reason why is because he's dangerous. He's used them. He tortures his own people. He's gassed his own people. He's attacked people in the neighborhood.

What's changed for America, besides the fact that he's still dangerous and can create havoc with friends in the neighborhood, is that there's now a shadowy terrorist network which he could use as a forward army, attacking his worst enemy and never leave a fingerprint behind, with deadly, deadly weapons. And that's what's changed.

We're having an honest debate in this country, and we should, about peace and how to achieve the peace. It should be clear to you now, though, that in my judgment you don't contain Saddam Hussein. You don't hope that therapy will somehow change his evil mind—[laughter]—that you deal with Saddam Hussein. I hope we can do this peacefully.

I went to the United Nations for a reason. One, I want the United Nations to be something other than an empty debating society. I wanted it to address this threat. By a 15-0 vote in the Security Council, they said, "Yes, it's a problem and he must disarm." But the fundamental question is, when? There's a lot of focus on the inspectors, and we wish them well. But the role of the inspectors is not to play hide-and-seek with Saddam Hussein in a country the size of California. There's 108 inspectors running around a country trying to stumble into something, 108 people who are being misled by a person who's made a history of fooling inspectors.

See, the role of the inspectors are not to play "gotcha." He's better at playing "gotcha," obviously—for 12 years he's played "gotcha." The role of the inspectors are to watch Iraq disarm. That's the role of the inspectors. They're to report back and say, "Gosh, he's started getting rid of all his mustard gas or sarin gas. He started getting rid of these weapons of mass destruction. He's now getting rid of the biological laboratories." That's the role of the inspectors.

And it's clear he's not disarming. I'm convinced that this still can be done peacefully. I certainly hope so. The idea of committing troops is my last option, not my first. I understand the terrible price of war. I understand what it means to put somebody into combat. I know what it means to hug mothers and wives. But I've got to tell you something. I've thought long and hard about this. The risks of doing nothing, the risk of assuming the best from Saddam Hussein, it's just not a risk worth taking.

So I call upon the world to come together and insist that this dangerous man disarm. But should they choose not to continue to pressure Saddam and should he continue to defy the world, for the sake of our peace, for the sake of the security, this country will lead a coalition of other willing nations, and we will disarm Saddam Hussein. If need be, if war is brought upon us like I said last night, I want to assure you, particularly those who wear the uniform and those who have a loved one in the military, we will commit the full force and might of the United States military, and for the name of peace, we will prevail.

And when we do, we will free people. This great, powerful Nation is motivated not by power for power's sake but because of our values. If everybody matters, if every life counts, then we should hope everybody has the great God's gift of freedom. We go into Iraq to disarm the country. We will also go in to make sure that those who are hungry are fed, those who need health care will have health care, those youngsters who need education will get education. But most of all, we will uphold our values. And the biggest value we hold dear is the value of freedom. As I said last night, freedom and liberty, they are not America's gifts to the world. They are God's gift to humanity. We hold that thought dear to our hearts.

This is a great nation. America is a strong nation. America is a nation full of people who are compassionate. America is a nation that is willing to serve causes greater than ourselves. There's no question we face challenges ahead of us, challenges at home, challenges abroad. But as I said last night, history has called the right nation into action. History has called the United States into action, and we will not let history down.

Thank you all for coming. May God bless.

NOTE: The President spoke at 12:40 p.m. at the DeVos Performance Hall. In his remarks, he referred to Gov. Jennifer M. Granholm, State attorney general Mike Cox, and secretary of state Terri Lynn Land of Michigan; and President Saddam Hussein of Iraq. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

Statement on the Reelection of Prime Minister Ariel Sharon of Israel

January 29, 2003

I congratulate Prime Minister Ariel Sharon on his victory in Israel's elections yesterday. The friendship between the United States and Israel, and our commitment to Israel's security, remain firm. I look forward to continuing to work with Prime Minister Sharon and his new government in the search for peace and security for all Israelis and all Palestinians.

Message to the Congress Transmitting a Report on the Extension of Normal Trade Relations Status for Certain Former Eastern Bloc States

January 29, 2003

To the Congress of the United States:

On September 21, 1994, then-President Clinton determined and reported to the Congress that the Russian Federation was not in violation of paragraphs (1), (2), or (3), of subsection 402(a) of the Trade Act of 1974, or paragraphs (1), (2), or (3), of subsection 409(a) of that Act. On June 3, 1997, he also determined and reported to the Congress that Armenia, Azerbaijan, Georgia, Moldova, and Ukraine were not in violation of the same provisions, and made an identical determination on December 5, 1997, with respect to Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan. These actions allowed for the continuation of normal trade relations for these countries and certain other activities without the requirement of an annual waiver.

On June 29, 2000, pursuant to section 302(b) of Public Law 106–200, then-President Clinton determined that title IV of the Trade Act of 1974 should no longer apply to Kyrgyzstan, and on December 29, 2000, pursuant to section 3002 of Public Law 106–476, he determined that title IV of the Trade Act of 1974 should no longer apply to Georgia.

As required by law, I am submitting an updated report to the Congress that was prepared by my Administration concerning the emigration laws and policies of Armenia, Azerbaijan, Kazakhstan, Moldova, the Russian Federation, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan. The report indicates continued compliance of these countries with international standards concerning freedom of emigration.

George W. Bush

The White House,
January 29, 2003.

Message to the Congress Transmitting a Report on the National Emergency With Respect to the Western Balkans

January 29, 2003

To the Congress of the United States:

As required by section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), and section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c), I transmit herewith a 6-month report prepared by my Administration on the national emergency with respect to the Western Balkans that was declared in Executive Order 13219 of June 26, 2001.

George W. Bush

The White House,
January 29, 2003.

Executive Order 13285—President's Council on Service and Civic Participation

January 29, 2003

By the authority vested in me as President by the Constitution and the laws of the