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[*A participant suggested that to protect customers, the CEOs and compliance officers of companies providing help and advice need to sign a statement that they have no conflicts of interest. Mr. Hubbard then introduced Sylvester Schieber, vice president, Watson Wyatt Worldwide.*]

The President. Excuse me for a minute. So here's what happens. I'm going to four of these; the Vice President is going to four of them. I can assure you, however, that we look forward to hearing the recommendations—Hubbard or somebody is going to be a note-taker. We will look at everything you say.

Again, I also want to tell you how much we thank you for coming, and I'll see you at lunch. We've got a great group of our fellow Americans here that really goes to show that people are concerned about the future of the country. I really want to thank you for coming. I know it was a stretch for a lot of you to come, but the fact that you're here is really meaningful for the country. So thanks from the bottom of our hearts.

Again, I look forward to what you have to say. In the meantime, I've got to leave here. Thanks.

NOTE: The President spoke at 9:03 a.m. in the Baylor Law Center at Baylor University.

Remarks at the Economic Recovery and Job Creation Session of the President's Economic Forum in Waco
August 13, 2002

The President. Good morning. Sorry to interrupt. I was hoping to hear Phyllis. [*Laughter*]

Phyllis Hill Slater. I was quoting you.

The President. You were?

Ms. Slater. Yes, I was quoting you: "Let no child be left behind."

The President. There you go.

Ms. Slater. Education is key to keeping us strong in this country. And I especially want to look after those children in the rural and urban communities, because that's our future.

The President. You bet.

Ms. Slater. And I thank you for that lead-in.

The President. Well, listen, thank you all for coming.

So here's what happens. I come for 15 minutes and then go to another seminar—the Vice President as well. But I can assure you that any recommendations that come out of this discussion will make it to my desk. I look forward to hearing what you have to say.

I want to thank you all for coming. Welcome to central Texas, and I truly look forward to hearing what you have to say. I suspect I know what's on Doug's mind, and that's how to get people back to work. And that's on my mind. I mean, we ought to seize every opportunity to get our workers working.

In one case, Congress can do something about it and should do something about it quickly, and that is to provide some terrorism insurance so that roughly $8 billion worth of projects move on. And that's $8 billion worth of work for somebody. I view that in human terms, not in balance-sheet terms.

So I want to thank you all for coming to talk about ways to get the economy moving again. You know, we're pleased with some progress, but we've got more to do. And that's what we're really here to discuss. So any specific ideas that bubble up, you

know, we'll give it a good look. But in the meantime, keep the conversation moving here. I don't want to dominate.

[*At this point, Treasury Secretary Paul H. O'Neill introduced John Brooks, executive secretary-treasurer, Greater Pennsylvania Regional Council of Carpenters.*]

The President. Big John, what do you do—excuse me.

Mr. Brooks. I'm a business manager for the Carpenters——

The President. Oh, good.

Mr. Brooks. ——of Pittsburgh, which—we've entertained you.

The President. Yes, you have. You certainly did.

Mr. Brooks. I was probably the first person you met.

The President. That's right. Well, I didn't notice you. I didn't recognize you in a coat and tie. [*Laughter*]

[*Mr. Brooks discussed the need for accurate pension fund reports.*]

Secretary O'Neill. Mr. President, before we started, Van, who is sitting between us here, was telling me that her 92-year-old grandmother is watching this on television. So I think we ought to give Van an opportunity to talk. [*Laughter*]

The President. Your grandmother and my mother. [*Laughter*]

[*Van Eure, owner, Angus Barn restaurant, briefly discussed the importance of tax deductions for small businesses and her experiences in dealing with the death tax.*]

The President. Thanks.

Ms. Eure. And I'm just honored to be sitting beside one of my heroes. [*Laughter*]

The President. Who, O'Neill? [*Laughter*]

Secretary O'Neill. Mr. President, I'll take it. [*Laughter*]

Ms. Eure. Yes.

The President. Thank you.

Ms. Eure. You're welcome.

The President. The thing about the death tax—the death tax is punitive on small-business owners. It is very tough on farmers and ranchers. It's hard to be able to keep your farm and your family if you've got a big appraisal value when a loved one dies. We're trying to get rid of the death tax. I firmly believe the death tax is good for people from all walks of life all throughout our society. As the entrepreneurial spirit takes hold in communities all throughout America, the death tax is going to try to be very punitive on many minorities, minority-owned firms. And our view is, is that if you build up your asset base, you ought to leave it to somebody you want to leave it to, whether your kid or your cousin or whatever it is.

And so we've put the death tax on its way to extinction. However, as a result of a quirk in the law, it arises again 10 years from now. That's a hard one to explain. But, nevertheless, it does. And so we've got to make the repeal of the death tax permanent, for the good of the entrepreneurial spirit and for the good of our farmers and ranchers. And thank you for bringing that up.

Secretary O'Neill. Sheri Orlowitz, I wonder if we could hear from you?

The President. Where are you from, Sheri?

Sheri Orlowitz. I'm from Washington, DC.

The President. Nothing wrong with that. Me, too. [*Laughter*]

Ms. Orlowitz. I haven't seen you around lately.

The President. Well, I'm on a temporary basis there. [*Laughter*]

[*Ms. Orlowitz, chairman and chief executive officer, Shan Industries, LLC, discussed the importance of patience during economic downturns and greater corporate accountability.*]

The President. Well, thanks, Sheri. That's very articulate. A couple of points—we are going to find those who have broken the law and arrest them and prosecute them. And the SEC actually has done quite a bit of work. Some of it, I guess, hasn't

received wide publicity. But 80 different officers have been punished in a year's period of time. I think it is a year's period of time.

Secretary O'Neill. That's right.

The President. We've increased the SEC budget so that they've got more capacity now to move through the system. Part of what you say requires a board of directors and a compensation committee for understanding their responsibilities. I mean, you're right. Excessive executive pay sends confusing signals. I mean, when a guy makes a merger or a company makes a merger, the executive makes a lot of money, the shareholders lose—something is wrong.

Independent members of boards need to be tough in their responsibilities. I don't think it's right for a Government to regulate pay. I don't think that's a role for the Federal Government. It is a role for the Federal Government, however, to bring those to justice who break clear law. And we will—and we will.

The other thing that you mentioned is the recession. We were—history now has shown, we had three quarters of recession, three quarters of negative growth, and now we've had three quarters of positive growth. So the trend is in the right direction, which is important for Americans to understand. But nevertheless, there's a lot more to do. One of the key things, as you mentioned, is this business about insurance. We've got to get these projects going. We want these workers working. We want McCarron to quit calling me on the phone saying, "What are you doing about this insurance bill?" [*Laughter*]

Secretary O'Neill. Mr. Johnston, I wonder if we could hear from you? You're in a business that touches every American every day—in the grocery business, Mr. President—so maybe we could hear from you.

The President. Yes.

[*Lawrence R. Johnston, chairman of the board and chief executive officer, Albertsons, Inc., briefly discussed his suggestions for stimulating economic growth.*]

The President. Thanks. Thanks for coming.

Secretary O'Neill. Mr. President, you have to go.

The President. Yes, well, the life of the President—always has to go. But I do want to thank you all for coming. This is—I appreciate, Sheri, your talking about this summit in positive terms. That's how I view it too. You'll be amazed, when you go to lunch today, to see the quality of the folks that have come—got some of the world's leading economists here with you, in your panel, national labor union leader. I mean, we've got really fine people who have agreed to come and share their insights and share some thoughts with us.

I think one of the things you'll hear is that even though times are kind of tough right now, that we're America. I'm incredibly optimistic about the future of this country, because I understand the strength of the country. And the strength of the country is our people. We've got the highest productivity in the world. We've got the best farmers and ranchers in the world. We've got the best manufacturers in the world. We've got the hardest working people in the world. We've got the best tax policy in the world. I mean, we've got a lot going for us. And I think when the American investor—one thing I do want to comment on, I was at an earlier seminar, and I, too, am concerned about the language of Wall Street not being clear so that the average investor can understand what's going on. And we talked to Chuck Schwab about that. And Wall Street has got to understand that fancy footwork, when it comes to financial instruments, needs to—need to be totally open and transparent, so everybody understands what's happening.

And you're right about making sure that the average investor feels confident in what he or she reads. A lot of folks in this part of the world aren't real—I would call it suspicious about some of the fine print. And there needs to be better disclosure so that people feel confident that they're not being led down the primrose path of fancy financial footwork, let me put it to you that way. And the Government can do some of this, but the industry itself, the investment advisors, and the people—I call them Wall Street—they need to—there needs to be some self-policing mechanism as well, so that people are confident in the numbers.

More and more people invest. A lot of Doug's workers invest—all of a sudden become pretty sophisticated relative to their father and forefathers. But you can't be that sophisticated if you're fighting off lawyers and accountants that are trying to put the dark cloud over reality. And that's one of the things we've got to just make sure does not happen anymore. Part of it is to put these people in jail. But part of it is to insist that the advisory world not have conflicts of interest and everybody understands what's going on. And I think you're going to find some pretty interesting ideas come out of this summit along those lines.

But anyway, thank you all for coming. Hope you've enjoyed central Texas. You're 45 minutes away from Crawford. [*Laughter*] No Albertsons yet, but we do have a stoplight. [*Laughter*]

Thank you all for your time.

NOTE: The President spoke at 9:23 a.m. in the Baylor Law Center at Baylor University. In his remarks, he referred to Phyllis Hill Slater, president, Hill Slater, Inc.; Douglas J. McCarron, general president, United Brotherhood of Carpenters and Joiners; and Charles R. Schwab, chairman of the board and co-chief executive officer, Charles Schwab Corp.

Remarks at the Corporate Responsibility Session of the President's Economic Forum in Waco
August 13, 2002

[*Commerce Secretary Donald L. Evans welcomed the President and summarized the discussion to that point, including the remarks of Truett Cathy, founder and chief executive officer, Chick-fil-A, Inc., concerning why his company never offered public shares. Secretary Evans then introduced Dick Holthaus, president and chief executive officer, National Association of Investors Corp. (NAIC), who asked NAIC members in the audience to raise their hands.*]

The President. Great.

[*Mr. Holthaus described NAIC's activities as an organization of investment clubs.*]

The President. Dick, thank you. First of all, I want to thank you all for coming. This is—it's really a fine seminar because the quality of—the people are great. Wait until you see who's here when you go to lunch. It's really—impressed. And this is a topic that is a vital topic for the country, and that's trust. You know, how do we make sure people can trust what they see, can believe what they hear, can understand—understand that they're being told the truth when it comes to numbers, and make sure the fine print, you know, is fully exposed?

I want to thank Dick from the New York Stock Exchange for helping set the tone for policing themselves. You know, the