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I've known Zoellick for a long time. He's a—he is a fine public servant. I asked him to serve as our trade minister, and he did a fantastic job. And as he departs to the State Department, upon Senate confirmation, I want to assure the American people this administration is committed to free trade. I look forward to finding a replacement for Bob Zoellick that will be able to carry on our desire to spread free trade around the world.

In the meantime, I look forward to a quick confirmation for Condi and Bob so they can go over to the State Department and carry on the foreign policy of this administration. Thank you all very much.

Thanks for serving.

Ambassador Zoellick. Thank you, Mr. President.

The President. Glad you're going to do it.

Ambassador Zoellick. Thanks.

Secretary-designate Rice. Mr. President——

The President. Good choice.

Secretary-designate Rice. Thank you, sir.

The President. Thank you all. See you in Detroit.

NOTE: The President spoke at 10:11 a.m. on the South Lawn at the White House.

Remarks in a Discussion on Asbestos Litigation Reform in Clinton Township, Michigan
January 7, 2005

The President. Thank you. Thanks for coming today. Please be seated. We've got a lot of work to do here. [*Laughter*] Thank you for such a warm greeting, and I want to thank some of our fellow citizens for joining me here on the stage. We're about to have an interesting conversation on a vital issue that confronts our country, and that has to do with asbestos litigation. And I want to thank you all for joining us.

I think you're going to find their stories to be very interesting and very compelling as to why this country needs to act and to solve a problem. One of the reasons people run for office, or at least the main reason they run for office, should be to see problems and solve problems so that the country is better off because of our actions.

I want to thank Al Lorenzo and the good folks here at Macomb Community College for allowing us to use your beautiful facility. I believe that the community college system is a vital part of making sure that America remains a competitive place to do business. After all, one of the ways to ensure that our business sector is strong and viable is to have a workforce that is skilled—that is trained for the skills of the 21st century. And there is no better place than the community college system of America to provide those skills for jobs which actually exist. So thanks for having us here. I'm honored to be here.

Today I traveled from Washington on mighty Air Force One with four Members of the United States Congress from Michigan. I hope they came down to hear this presentation. I suspect they might have liked the accommodations. [*Laughter*] But I'm proud of all four. Congressman Mike Rogers is with us today. Thank you, Mike. Thad McCotter is with us. Congressman, thank you for coming. Joe Knollenberg is with us—Congressman Knollenberg. And finally, Congresswoman Candice Miller has joined us. Thank you, Candice. [*Applause*] It sounds like they've heard of you. That's good. And you brought along husband, Don. I appreciate Don. Don and I visited

about flying F–102s together. I appreciate you all coming.

I want to thank all the State and local officials who are here. I want to thank our fellow citizens who've joined us. Today, when I landed at the airbase, I met Colonel Don Kotchman who is with us today. Don, thank you for coming. You know, I appreciate Don wearing our Nation's uniform, but more importantly, I appreciate the fact that he is a Boy Scout leader. He is a—and the reason I like to herald a person like Don is because the true strength of the country is the heart and souls of the American citizens. That's our strength. I mean, our military is mighty, and we'll keep it that way. Our economy is getting better, and we intend to keep it that way. But the real strength of this country is the fact that thousands and thousands of our citizens take time out of their lives to try to make somebody else's life better.

And I want to appreciate you for being a volunteer, a soldier in the army of compassion, Colonel. And I want to—again, I want—for all of you who are out there who are looking for some way to serve your community and our country, love your neighbor like you'd like to be loved yourself, and you'll be doing our country a great service.

Speaking about a nation, a loving nation providing care, I met with my little brother last night, the Governor of Florida, Jeb, who just had come back from the part of the world that was affected by the tsunamis. I'll be talking to Colin Powell on Monday. Jeb tells me of the extraordinary efforts that are being made on behalf of the suffering people by our aid workers and, most particularly, by our United States military. You know, we're good fighters, but we're also incredibly compassionate people. And our military is flying chopper lift after chopper lift after chopper lift to get needed supplies to help alleviate the incredible suffering that has gone on. I am proud of the efforts we have made. I will be proud of the efforts we will make, because this compassionate country will help those around the world who hurt as a result of these natural disasters.

We have a lot to do besides relieving suffering around the world. We've got to spread freedom. I mean, one way to relieve suffering is to encourage people to be free. And on my mind right now is the fact that the people of Iraq will be voting on January the 30th. I was asked today—I want to thank our military and the military families for making this vote possible. I was asked today about all different aspects of the upcoming vote. They were talking about turnout. I said I know something about turnout. [*Laughter*] In democracy, we think about turnouts. And so I'm excited for the people of Iraq. I'm excited for the fact that they have a chance to go to the polls. It's an amazing accomplishment.

And again, I want to thank our troops and those on the ground there who are helping this historic moment to arrive. You've probably have read where we have sent some military folks over to assess the situation there. What we have done is we've sent military people over to assess how we can help the newly elected Government after January 30th do their job of helping to train their people so they can protect themselves against the few who want to stop the march of democracy in that part of the world.

And so this year we will do everything we can to help the Iraqis assume the responsibilities necessary to defeat those who want to stop the good people of that country from being able to exercise their free will. We'll do everything we can to protect our homeland.

At home, we've got some good economic news today. There's a net job increase—or new job increase of 157,000 jobs for December. I said 159,000 in the Oval Office. I stand corrected: It was 157,000 new jobs for December, which is good news. More and more people are finding work.

And the fundamental question confronting the administration and the Congress is: What do we do to continue to expand the economic growth here in the country? And I've got some ideas on what to do, and I look forward to working with the Congress to see that those ideas come to fruition.

One is we've got to be wise about how we spend your money. It's essential in the budgets that I propose and the budget that Congress passes that it is very clear that we understand that in order to make sure there's confidence in our economy, that we cut the deficit in half over 5 years. And I look forward to working with the spenders in Congress to do just that.

I know—I think—I'm confident we need to keep taxes low. One of the reasons why our small-business sector is so vibrant and strong today is because taxes on small businesses have been lowered. We intend to keep them low in this administration. I know we've got to do a better job of getting Congress to pass a energy plan. We must become less dependent on foreign sources of energy if we expect this economy to continue to grow.

And another thing we need to do is to make sure that we tackle big problems, like the Social Security problem. We have a problem with Social Security, and it is this: The number of payers paying into the system are dwindling on an annual basis, so that by the time baby boomers like me get ready to receive the promise of the Government, there's not going to be enough money in the system. And so I'm saying to Congress, "Let's fix it now." We have a duty, it seems like to me, to confront problems.

I look forward with—working with the Congress, members of both parties, to show our country we can confront big problems. I don't have a specific plan. I'm listening to all ideas. Everything should be on the table, as far as I'm concerned, except for the following: One, people who are retired or near retirement should see nothing changed in the system. And part of the problem in dealing with Social Security is that it's been a way for some to scare seniors, saying, "Look, if they modernize the system, the seniors won't get their checks." Forget it. You're going to get your check. Nothing will change.

I'm talking about how we deal with the problem for younger workers, most of whom think they'll never see anything to begin with. And I believe we can do so without running up payroll taxes, and I believe one interesting change, one innovative response to this issue is to allow younger workers to take some of their own money and set it aside in a personal savings account that will earn a better rate of return than the money inside the Social Security trust, an account they can call their own.

A way to make sure America is the best place to do business in the world, a way to make sure jobs continue to exist here is to tackle the tough issues of legal reform. We have too many junk lawsuits in our system, pure and simple, and frivolous and junk lawsuits cost our economy about $240 billion a year. That's a problem. We are one of the most—I think maybe the most litigious society in the industrialized world, which is a competitive disadvantage that we have in a global economy. And therefore, in order to make sure jobs stay here and jobs are increased here, we must be more competitive. And in order to be so, it seems like to me it makes sense to reform our legal systems.

I'm calling on Congress to address three issues as to when it—as to legal reform. One is to make sure that there is available and affordable health care by reforming medical liability law. There's too many lawsuits around this country that are driving too many good doctors out of practice, that are driving up the cost of medicine. The cost of practicing defensive medicine in order to stay out of the courthouse or to defend—to provide the defense necessary in case of a frivolous lawsuit is costing you $28 billion a year at the Federal level. And

it's a problem. And I look forward to working with Congress to solve this medical liability issue.

We need to reform the class-action lawsuit problem. We've got—these lawsuits are being filed; they have an impact on our economy. They—many times, the lawyers get the money, and the people don't. They are—these suits that have got interstate claimants really ought to be in the Federal court. The system right now allows people to shop for a court of law that is convenient to their case or place where they can find a sympathetic jury. And I think in order to make sure the system works better, Congress needs to reform the class-action lawsuit provisions of law and enable claimants to be able to argue their case in a Federal case—Federal court of law, as opposed to a sympathetic local court of law.

And finally, we're here to talk about asbestos lawsuits. We've got a problem. The Supreme Court recognized it as a problem. They said, it is a huge mass of—the huge mass of asbestos cases "defies customary judicial administration and calls for national legislation." That's a better—it's better that they define it than me. After all, these are all lawyers and judges; I'm not. But when they say—the Supreme Court says we have a national problem, I think Congress needs to listen.

And why is it a national problem? Well, first of all, we're spending about $80 billion on asbestos litigation, and that could end up being 200 billion over time.

Secondly, these asbestos suits have bankrupted a lot of companies, and that affects the workers here in Michigan and around the country.

Thirdly, those with no major medal [medical] * impairment now make up the vast majority of claims, while those who are truly sick are denied their day in court. We'll hear a little bit about that—we'll hear more about that a little bit later.

It's a—most of the asbestos producers are now bankrupt so that lawyers target companies once considered too small to sue or once considered to be not really directly involved with the manufacturing of asbestos. Because there's nobody else to sue, they try to drag in people that aren't directly involved with the manufacturing of asbestos. We'll hear about what that means here as well.

This is a national problem, as the Supreme Court said, that requires a national solution. And we're here today to talk about the national problem. I look forward to working with Congress to create a national solution. There are some principles which I think ought to govern Congress's actions.

First, funds should be concentrated on those who are sick, not lawyers or claimants who are not ill. In other words, people have been affected by asbestos. There's no doubt about it. You'll hear a story here today about a loved one whose family suffered as a result of that. But most of the money isn't going to those people who have been truly sick. It's going to people who think they might be sick, and that hurts the system.

Secondly, we need to speed up the process for delivering justice to deserving victims. So as Congress considers what ought to be done, they need to keep in mind those who have been truly harmed by asbestos.

Third, we need to provide certainty in the system, which will help save jobs and protect businesses that had nothing to do with creating the asbestos problem, and that's important. And so, as Congress moves—and I'm confident we can get something done. We'll, of course, need your help. I intend to help by keeping this issue on the front burner.

And we've got some citizens up here who want to help today too. And we're going to start by hearing from Lester Brickman. Lester, tell them what you do.

Lester Brickman. I'm a law professor at the Benjamin N. Cardozo School of Law

* White House correction.

at Yeshiva University, and I write extensively on the issue of asbestos litigation.

The President. So what he just said is he's going to give you an expert—I gave you a layman's opinion about all this. [*Laughter*] He's going to give you an expert opinion about all this.

Tell us what the problem is. Tell us—just give us a little history and educate people.

[*At this point, Mr. Brickman made brief remarks.*]

The President. I think my State of Texas was pretty famous for being a place where people would file these suits. As a matter of fact, if I'm not mistaken, we might have had 4, 5, 6 thousand lawsuits dumped on a local court at a time from around the country.

Mr. Brickman. That is correct. Lawsuits from around the country used to be filed in Texas, even though the plaintiffs never had set foot in Texas, even though the alleged injury had nothing to do with Texas, took place miles away, or hundreds of thousands of miles away. But the Texas courts, in those days, before tort reform——

The President. I was hoping you would bring that up. [*Laughter*] Kind of leading the witness here. [*Laughter*] No, no. But it's happening in another State.

Mr. Brickman. The law reform that you championed in Texas actually has spread to other States.

The President. Yes.

Mr. Brickman. And that's a good thing.

The President. The reason I was going to bring it up, is that when you have that many suits filed, it makes it hard for somebody who has got a legitimate claim to have their day in court. That's what we want. We want a court system that's fair. We want the scales of justice to be balanced, and the scales of justice are not balanced.

[*Mr. Brickman made further remarks.*]

The President. And people need to understand, when they go into bankruptcy—that's a legal term—but people are losing jobs, which is a real human tragedy. That's what these lawsuits are causing.

We've got some small-business owners with us today. I think you'll find their stories sad and compelling. Bruce McFee, that would be you.

Bruce McFee. Well, thank you, Mr. President.

The President. Thanks for coming.

Mr. McFee. It's an honor to be here.

The President. First, tell us about your company.

[*Mr. McFee, president, Saylor-Beall Manufacturing Co., St. Johns, MI, made brief remarks.*]

The President. Okay, good. And you're the president of the company?

Mr. McFee. I'm the president, yes.

The President. Mr. President. [*Laughter*] And so, why are you here?

Mr. McFee. Well, that's a good question. [*Laughter*] I believe the reason I am here is because we have been named in asbestos lawsuits, due to a mistaken identity. We're being sued for things that we never made. We're being sued for things we never did.

The President. Yes, give the people a little history of your company. Because this is a typical story, as a result of these frivolous lawsuits.

[*Mr. McFee made further remarks.*]

The President. Right. So what is the rationale for suing you?

[*Mr. McFee made further remarks.*]

The President. How many employees have you got?

Mr. McFee. We've got a little over 100.

The President. This is classic small business in America—100 employees, would like to be expanding, I presume, would like to be increasing the workforce. And yet money is going out the door to pay for 53 junk lawsuits.

[*Mr. McFee made further remarks.*]

The President. This is a case of why frivolous lawsuits hurt our economy. This is money that they are spending that could be better spent on employee health benefits, expanding the business.

[*Mr. McFee made further remarks.*]

The President. Right. Well, thanks for sharing with us.

Mr. McFee. Thank you, Mr. President.

The President. Mr. President. [*Laughter*]

Frank Sullivan—welcome, Frank. Thanks for coming. Where do you live? What's the name of your company? Are you the president?

Frank C. Sullivan. Yes, sir, I am the president. [*Laughter*]

The President. Mr. President. [*Laughter*]

Mr. Sullivan. I first want to thank you very much for your leadership on this issue. It is slowly destroying our country's manufacturing base.

[*Mr. Sullivan, president and chief executive officer, RPM International, Inc., Medina, OH, continued his remarks.*]

The President. Congress needs to act. I mean, I can't make it any more plainly than to listen to these two stories here. I appreciate you sharing that with us. I guess what happened is the big manufacturers no longer exist, and so these lawyers keep searching and searching and searching until they find medium-sized businesses and small businesses. It's not right. It just isn't. We want a legal system that works in America. I want people to say, "The system is fair." And folks, the system isn't fair right now. It's not fair to those who are getting sued, and it's not fair for those who justly deserve compensation.

And I want you to hear the story from Mary Lou Keener. Mary Lou has served our Government. She is a public servant, but she's here to talk about her dad.

[*Mary Lou Keener made brief remarks.*]

The President. There you go. Good job. Well, there you have it. The system isn't fair. It's not fair to those who have been harmed. It's not fair to those who are trying to employ people. It's just not fair.

And so I've come to the great State of Michigan to help—I asked these citizens to help highlight a problem. And we have a duty to solve problems, and this is a problem. And I hope you let your Senators know and your Congresspeople know that we've got a problem and that you as citizens expect people of good will to come together, to forget vested interests, to focus on a solution for the good of the people of this country.

I want to thank you all for coming to give us a chance to discuss this vital issue. I told Mary Lou—I told you too—that I intend to make this an issue. Starting today, we've made it an issue for the year 2005, and I look forward to working with the Congress to get something done.

God bless you all, and thanks for coming.

NOTE: The President spoke at 12:15 p.m. in the Macomb Center for the Performing Arts at Macomb Community College. In his remarks, he referred to Albert Lorenzo, president, Macomb Community College.

The President's Radio Address
January 8, 2005

Good morning. Americans continue to mourn the victims of the devastating tsunamis in the Indian Ocean. More than 150,000 lives are now feared lost, including tens of thousands of children.