

Union. To the Governors of the United States.

NOTE: The President spoke at 8:06 p.m. in the State Dining Room at the White House. In his remarks, he referred to Gov. Kathleen Babineaux Blanco of Louisiana and her hus-

band, Raymond Blanco; Agriculture Secretary Mike Johanns and his wife, Stephanie Johanns; and Health and Human Services Secretary Michael O. Leavitt and his wife, Jacalyn S. Leavitt. The transcript of these remarks was released by the Office of the Press Secretary on February 28.

Remarks to the National Governors Association Conference February 28, 2005

The President. Thank you. Please be seated. Didn't take you long to get back. [Laughter] Hope you enjoyed that as much as I did last night. It was—Marvin was great.

I'd like to have a few—I'll make a few opening comments, and then I'll be glad to field some questions. First, I want to thank Governor Warner and Governor Huckabee for leading the NGA; I appreciate the job you've done. I thought the messaging in our local newspapers here was very positive: "Governors coming together to try to figure out how to solve common problems." It's a good message for all of us here in Washington to hear. This town can be fairly bitter at times, and I remember fondly my days of working with people in both parties to try to get positive things done for my State. I hope that the spirit in which you all have come to Washington spreads throughout the Nation's Capital.

I appreciate the members of my Cabinet who are here. Your name is?

Secretary of Agriculture Mike Johanns. Johanns. [Laughter]

The President. It takes a while to get to know every member of the Cabinet. [Laughter] And Mike Leavitt and Chertoff—oh, there you are. Good, yes. I appreciate—I hope you find these folks as candid and as bright as I have found them. I really appreciate all three members of my Cabinet willing to come and serve in Washington. As you know, your administra-

tion can be defined by who you surround yourself with, and I've surrounded myself with good, capable people—and I hope you found that to be the case—candid, open people that are interested in working with our Governors.

And we've had some challenges that we have faced together. Our economy, as you know, got rocked by a recession and then an attack and corporate scandals. But I'm pleased to know that your budgets are improving, that revenues are on the rise. That's because the economy is growing, and we're adding jobs. And the fundamental question is, how do we keep the economic growth alive? I spend a lot of time thinking about that here in Washington. I brought some ideas forward to the Congress, such as making sure the tax relief that we passed is permanent, that people are able to predict their tax rates in a better way so that they can plan. Part of making sure the entrepreneurial spirit is strong is so there's a kind of certainty. And we're working with Congress to make sure there's certainty.

The Tax Code, itself, needs to be reformed. I think the Tax Code is one that inhibits the flow of capital and growth. And so I've called upon former Senators Mack and Breaux to bring forth some ideas about how to simplify the Tax Code to make it more entrepreneurial-friendly. That report should come out this summer. It will be an interesting challenge, but it's one that

is a necessary challenge for Congress to work to simplify the code.

We've started with legal reform here. I hope—I encourage you all in your own States to do the same thing. It turns out America is one of the most litigious countries in the world, and that makes it hard to compete in a global society. We are at a competitive disadvantage when we sue each other so much. And we've got a good class-action bill out of the House and the Senate. We're working on asbestos reform, and I'm working hard to create a consensus that the scales of justice ought to be balanced. And I think a lot of people will tell you they're not balanced now. So we want to work here in Washington on legal reform; we hope you do.

I'll continue to work to open up markets and, at the same time, enforce our rules to make sure the playing field is level. It's good for your farmers that they're selling products overseas. It's good for your entrepreneurs that they can open up markets. What's not good is when the rules are unfair. And so we'll continue to work to enforce laws on the books.

We need an energy plan—we've got an energy plan; we need an energy bill. And I want to thank you for your support of the Clear Skies legislation. That will help some of you who are having trouble meeting your clean air requirements to do so without affecting your economies. And I want to—I asked you to clap a couple of times during dinner last night. [*Laughter*] I appreciate you—thank you, Joe; yes, it was a good singer.

Look, what I'm telling you is, we're going to deal directly with the twin deficits—the trade deficit. And the best way to deal with that is to make America the best place in the world to do business. By working to sustain economic growth, you're also working to make sure this is a good place to do business. That's the best way to deal with one aspect of the twin deficits.

And the other part of the twin deficit, of course, is the budget deficit. And you've

seen our view, our attitude about that. And so I presented a good, lean budget to the Congress. It sets priorities; it meets priorities. It, in essence, does what you do. It says, "If a program isn't working, don't fund it, or if it duplicates efforts, streamline."

And as you know, we have—we're working with our Governors to figure out ways to deal with not only discretionary spending issues but mandatory spending issues, such as Medicaid. We want Medicaid to work. We want poor children covered by SCHIP. But we also recognize that the system needs to be reformed, and we want to work with you to do so. There's no better group of people to work with than the Governors. The Governor is on the frontline of Medicaid, I know full well. We're worried about intergovernmental transfers, and so we put that on the table for discussion, so that the system works the way it's supposed to work.

We want to work with you as well on education matters. And I want to thank Governor Warner for leading the charge for high standards coming out of high schools. It was an appropriate and important message. Some in Congress may want to try to undermine No Child Left Behind. Forget it, we're not going to let them do it, because it's working. And I want to thank you all for implementing No Child Left Behind, using the powers of the—that the Federal—the flexibility the Federal Government has given you to achieve what we all want, which is an educated America. And the hopeful thing is, is that the achievement gap is closing in America. How do we know? Because we measure. So I want to congratulate you for the initial stages of making sure the education system works fully. And I look forward to working with the Governors on implementing ideas about how to make sure the high school systems work.

We want to work with you on the Workforce Investment Act reform. And we train about—I think we spend about 4 billion a year and train 200,000 people. I think

we can do a little better job than 200,000 people being trained with 4 billion a year. And so we want to work with our Governors to figure out ways to enhance flexibility, to get the job done, which is to train people for the jobs of the 21st century, and to utilize the fantastic community college systems that you all have helped build all around the country.

We want to work with you on health issues. One of the things that we have done is expand community health centers. I hope you felt the impact in, particularly, your poor counties and poor neighborhoods by the expansion of community health centers. We've expanded or modernized some 630 of them; we plan to do 700 more this year. It's a fantastic way to help take the pressure off your emergency rooms.

I'm a big believer in health savings accounts, and I hope that you all look at health savings accounts as a way for small-business owners to be able to better afford insurance for their employees. It is a great way to enhance consumer participation in the medical marketplace and, at the same time, help small businesses address costs.

I believe in association health plans that will allow small businesses to aggregate together, to pool risk, and to be able to buy insurance—to pool risk across jurisdictional boundaries. Now, I understand there are some issues. There are some people in your respective States, people who might have got a pretty good lock on selling insurance, that don't like this idea. But the objective is affordable insurance. And so I want to work with Congress to allow association health plans to expand.

We've got an issue when it comes to medical liability reform. I can remember talking to ob-gyns from a lot of States. I'm trying to look around for Governors, particularly in some States that are in particular need of medical liability reform. I've come to the conclusion that this is a national issue. When I first got here, I said the States can handle it—until you look at what the cost of defensive medicine—

what it costs to the Federal budget. It costs us billions of taxpayers' money. And I've concluded this is a national issue, and I'm working with Congress to get out a reasonable bill on medical liability reform. It's necessary if you believe that medicine ought to be affordable and available, because we've got a problem. When you've got ob-gyns being run out of business in America, you've got a problem in your States, and you know that. And so I look forward to taking on this issue again at the Federal level.

A couple of other things I want to say, and then I'll answer some questions. Some of you are probably wondering why I took on the Social Security issue. After all, it had been called the third rail of American politics. I am because the demographics have changed dramatically, and you're beginning to see it in your States. You're seeing it through Medicaid. You know about it in Medicare. And of course you know about it in Social Security because most of us are baby boomers, and we're fixing to retire, and there's a lot of us. And yet we've been promised bigger benefits than the previous generation, and we're living longer.

So you've got baby boomers fixing to retire, who are living longer, who've been made a bigger promise than the previous generation, and the Government can't afford it. There's not enough workers contributing in the system. And we need to do something about it now. And I'm going to—I'm coming to your States—I'm coming to a lot of States between now and whenever Congress decides to take this issue on, head-on—to remind people not only we have a problem, but we have an obligation to fix it. And I'm looking forward to this debate. I think this is a healthy use of our time in Washington, to see big problems and come together and fix them.

Now, the Medicare bill hasn't taken an effect yet. But it too suffers from the same demographic issue, because you've got a lot of baby boomers that are going to retire,

and the fundamental question is, how do we deal with it? My attitude—and I've told Congress, "Let the reforms that we've just passed kick in." They hadn't kicked in yet—2006 is when you begin to have prescription drugs become available to seniors, and 2006 is when you're going to see drugs begin to replace—over time, drugs begin to replace hospital stays. See, the old system would pay for a heart surgery but not a dime for the prescription drugs that might prevent the heart surgery from being needed in the first place. It was very cost-ineffective. Nor did it offer our seniors a modernized system. And so we look forward to working with you and Congress on Medicare reform after we solve the Social Security problem.

And finally, I urge you to continue to take advantage of the Faith-Based Initiative. I believe that the best way to cure many of society's ills is to surround them with love, and faith-based groups exist purely because they want to love somebody or do love somebody. And we're working really hard to make sure that Federal money is accessible on a competitive basis to our faith-based programs around the country.

I've traveled our country a lot, and I found these just fantastic institutions that are changing America one soul at a time. And I urge you, if you don't have an office, to set up a faith-based office and take advantage of the fantastic opportunity available to—that we're trying to make available to the faith community.

You know, not every problem is going to be solved by a faith-based group, but at least you ought to include faith-based groups in the mix. It makes sense to me to make sure that taxpayers' money is accessible on a competitive basis. And it's all aimed—the program is all aimed at helping change this country for the better.

Let me talk about foreign policy right quick. I know a lot of you have got Guard troops in Iraq. I want to thank you for supporting those troops. Whether you agree

with my decision or not, you've done your duty as commanders in chief to support the troops, and I appreciate it a lot. But more importantly, they appreciate it, and their families appreciate it.

I thought the hug at the State of the Union helped talk about the mission better than any words could have. And I hope that helped you when you explain to the families in your State what's happening. The gratitude of the Iraqi woman toward the American mom whose son had died was profound, gratitude that the country was free. And freedom is on the march. These are exciting times in our world.

But I want to thank you for doing your duty and supporting those kids, men and women, who are over in harm's way. We're making progress there. The mission is to get the Iraqis in a position where they can defend themselves. And we'll try to do that as soon as possible, get it done as quickly as we can, and then our troops are coming home with the honor they've earned, as I said in the State of the Union.

I'm looking forward to working with you all. I'm excited about the next 4 years. I've got the energy and the drive and the desire to do the best I possibly can to make America as hopeful and optimistic place as it possibly can be, and I know it can't be done without cooperation with the Governors.

Thank you all.

NOTE: The President spoke at 11:13 a.m. on the State Floor at the White House. In his remarks, he referred to composer Marvin Hamlisch, who performed at a dinner for the National Governors Association Conference the previous night; Gov. Mark R. Warner of Virginia, chairman, and Gov. Mike Huckabee of Arkansas, vice chairman, National Governors Association Executive Committee; former Senators Connie Mack, Chairman, and John B. Breaux, Vice Chairman, President's Advisory Panel on Federal Tax Reform; Gov. Joe Manchin III of West Virginia; and Janet Norwood, mother of Sgt. Byron

Norwood, USMC, who was killed in Iraq on November 13, 2004, and Iraqi citizen and political activist Safia Taleb al-Suhail, both of whom were guests of the First Lady at

the President's State of the Union Address on February 2. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

Remarks to the White House Faith-Based and Community Initiatives Leadership Conference *March 1, 2005*

Thank you all. Thank you for coming. Please be seated. Thanks for coming. Thank you for the warm welcome. It is great to be here with leaders from around our country who are leading our Nation's faith-based and community groups.

I am here to talk about my continued commitment to faith-based and community groups because I'm firmly committed to making sure every American can realize the promise of our country. It is said that faith can move mountains. Here in Washington, DC, those helping the poor and needy often run up against a big mountain—*[laughter]*—called bureaucracy. And I'm here to talk about how to move that mountain so that we can reach out and partner with programs which reach out to people who hurt.

You know, one of the tests of character for America is how we treat the weakest of our citizens. Interesting test, isn't it? What are we doing in Government to help people who need help? Part of the test of Government is to understand the limitations of Government. Government—when I think about Government, I think about law and justice; I really don't think about love. Government has got to find ways to empower those whose mission is based upon love in order to help those who need love find love in society. That's really what we're here to talk about.

I was talking earlier with some of our leaders, and I was reminding them that I think de Tocqueville, the Frenchman who came to America in the early 1800s, really

figured out America in a unique way when he said that "Americans like to form association in order to help save lives. Americans formed association in order to channel the individualistic inputs of our society to enable people to serve a cause greater than themselves."

Really, what we're doing is we're carrying on that philosophy today, a vision and philosophy that I think makes America a unique country and gives us, those of us responsible for helping lives, a unique opportunity to empower people, encourage people, partner with people to save lives in America. And that's what we're here to talk about today.

I want to thank the members of my administration who've joined us, because the efforts to partner with faith-based and community programs require a commitment by all of us in the administration, not just the President or not just the people in the White House Office but people throughout Government.

Margaret Spellings—Madam Secretary, thank you for coming. I appreciate you. She's the Secretary of the Department of Education. I see my friend Robert McCallum, who's the Associate Attorney General for the Department of Justice. Thank you for coming, Robert. Hector Barreto is the Administrator for the Small Business Administration. Yes, there is a connection between faith- and community-based groups and business. It's called helping make sure the entrepreneurial spirit