

NOTE: The interview was taped at 10:40 a.m. in the Map Room at the White House for later broadcast. Ms. Moukalled referred to Serge Brammertz, commissioner, United Nations International Independent Investigation Commission into the assassination of

former Prime Minister Rafiq Hariri of Lebanon; and President Emile Lahud of Lebanon. The transcript was released by the Office of the Press Secretary on March 10. A tape was not available for verification of the content of this interview.

Remarks at the National Newspaper Association Government Affairs Conference and a Question-and-Answer Session March 10, 2006

The President. Thank you very much. Jerry likes to give a short introduction. [Laughter] I appreciate you letting me come by to visit with you some, and I look forward to answering some questions you might have. You can't come to a newspaper deal without answering questions. [Laughter]

First, I want to thank you all for being part of the backbone of democracy. You know, you can't have a democracy unless there is a free and vibrant press corps. I sometimes remind people I may not like what you print, but what you print is necessary to maintain a vibrant public forum where people feel comfortable about expressing themselves. And so thanks for what you do. I appreciate it very much.

I also recognize that not all the press is located in the big cities in America. I remember running for the United States Congress in 1978. I came in second in a two-man race, by the way. [Laughter] And I remember people telling me, "Whatever you do, you make sure you go knock on the door of the rural newspaper." If you're interested in finding out what's going on in the community, you not only go take questions, but you listen to what the people are saying. And I've never forgotten that lesson that good politics means paying attention to the people not only in the big cities but outside the big cities. It's one of the reasons I was grateful to accept your

invitation. I'm looking forward to being here.

A couple of thoughts on my mind—first, obviously, your businesses thrive when the economy is good. And part of our job here in Washington is to make sure the environment for entrepreneurship and small businesses and the farmers and ranchers of this country is a strong environment. And this economy of ours has overcome a lot. We've overcome a recession and an attack, a national emergency, corporate scandals, a war, natural disasters. And we've overcome it, and the reason I say that is because the statistics say it—not just the politicians—but statistics: 3½ percent growth last year. The national unemployment rate as of today is 4.8 percent. That's lower than the average rate of the 1970s, 1980s, 1990s. Today we just learned that we've added 243,000 new jobs last month. That's about 5 million jobs over the past 2½ years. American workers are defying the pessimists. Our economy is strong. Productivity is up. Homeownership is up.

The fundamental question facing folks here in Washington and at the State governments is, what do you do to make sure that the economy remains strong? My philosophy can be summed up this way: The role of government is to create an environment in which the entrepreneurial spirit flourishes.

I believe one of the reasons we're having the economic success we're having is because we cut the taxes on the people. I believe that when somebody has more money in their pocket to save, invest, or spend, the economy benefits. The tax relief we passed is working. Parts of it are set to expire. I'm reminding the American people that if the Congress doesn't act, you're about to get hit with a tax increase you don't expect and most people don't want. So for the sake of economic vitality, to make sure this economy continues to grow and to make sure America is competitive in a global economy, Congress needs to make the tax relief permanent.

Now, some will say, "Well, we've got to raise taxes in order to balance the budget." That's not the way Washington works. Washington will raise your taxes and figure out new ways to spend your money; that's how it works.

The best way to balance the budget is to keep pro-growth economic policies in place. In other words, keep the taxes low so the economy grows, which generates more revenues for the Treasury, and set priorities on the people's money. I've submitted a budget to the Congress which keeps us on track to cut the deficit in half by 2009.

Setting priorities is a difficult task for some in Washington. Every program sounds worthwhile. Everybody's spending request is necessary. But Congress needs to set priorities, needs to be wise about the people's money. And if they need some help, they ought to give me the line-item veto, and that way we can bring budget discipline, help keep budget discipline in Washington.

The long-term budget challenge is—it really has to do with mandatory spending, what's called mandatory spending. That's code word for Social Security and Medicare. Baby boomers like me are getting ready to retire. My retirement age happens in 2008, by the way, which is aligned perfectly. [Laughter] I talked about the issue last year. I'm going to keep talking about

the issue. The job of a President is to confront problems—that's why you put me up here—is to deal with problems, not to pass them on or hope somebody else takes care of it.

And we have a problem with Social Security and Medicare. We've got a lot of people retiring and not enough people paying into the system. We've been promised a lot of benefits, our generation, better benefits than the previous generation. And so Congress needs to join me in setting aside all the needless politics in Washington, DC, to come together and to present a solution to the American people so we can say we've done our job. I'm looking forward to working with Congress.

I said it in the State of the Union: I want people at the table. I meant it. I want Republicans and Democrats to come to the table, to come up with a solution. Part of the solution is going to be—the best way to describe it is like an automobile; if you're speeding, you slow your car down to get to the speed limit. You don't put it in reverse. We can fix the problem. We can come together and show the American people we're capable of dealing in a bipartisan way.

We also need bipartisanship when it comes to energy. I surprised some of you, and I'm sure some of my Texas friends here were somewhat surprised to hear me say, "We're addicted to oil, and that's a problem." [Laughter] And it is a problem. It's an economic problem—economic/security problem. When demand for fossil fuels goes up in India or China or elsewhere, it affects the price of gasoline in Granbury, Texas, Jerry.

When I'm sitting around the Oval Office talking about national security matters and somebody says, "Did you see what the Iranians said about consequences?"—really what they're talking about, I guess, is energy. So for national security purposes, we have got to become not addicted to oil.

And there are ways to do this—really interesting ways, exciting new technologies.

And Congress and the administration needs to work together to fund those new technologies. For example, it's possible to develop energy from saw grass. We know we can develop energy from sugar and corn; we're doing it in the Midwest. Those of you in the Midwest have seen the advent of the 85 pumps. Well, we need to be able to get ethanol out of other forms of biomass. And it's coming; we're close to some breakthroughs. We want people driving cars from fuels grown in America; that's what we want.

There's going to be hybrid batteries being developed that will enable you to plug in your car or your truck, and you'll be able to drive the first 40 miles on electricity. That's coming. It's called plug-in hybrid vehicles. That's going to be a part of making sure we're not addicted to oil.

Same on the electricity front. We can use wind power and electricity. These are all coming to the market because of research. They're becoming competitive forms of energy. We need nuclear power, in my judgment. It's a renewable source of energy that doesn't create greenhouse gases. We're spending a lot of money, by the way, on clean coal technology. We've got 250 years of coal here in the United States of America, and we can—we're developing technology so that we can burn the coal cleanly. In other words, we've got a comprehensive strategy to get us off oil, and looking forward to working with both Republicans and Democrats to get this passed.

One other issue, then I want to talk about the war on terror right quick; then I'll answer questions. Probably wondering whether I'm going to filibuster you. *[Laughter]*

We've got to make sure our children have the skills necessary to fill the jobs of the 21st century. If you're interested in talking about No Child Left Behind, you can ask me about it. I'm a firm believer. I believe it's changing public education for the better because we're measuring. And

we've got to use the same high standards that we've applied for reading in the early grades for math in the middle years, junior high. That's what we need to do.

And we need to spend research and development money at the Federal level so that we're always on the leading edge of technological change, that the United States is the leader of the world, and that we've got to make sure the research and development tax credit is a permanent part of the Tax Code, recognizing two-thirds of research dollars comes from the private sector.

One of the things—I guess what I'm telling you is, is that I don't fear the future for the United States because we intend to shape the future with good policies that keeps our economy flexible, entrepreneurial, that recognizes that small business is the backbone of job creation, that honors the contribution of our ranchers and farmers. I'm very optimistic about the economic future of the United States, and I'm looking forward to working with Congress to make sure the environment continues to encourage job growth.

We're at war. I wish I could report to you we weren't at war; we are. There's an enemy that still lurks, that would like to do serious harm to the United States. Much of my thinking, the decisions I have made, all revolve around that fateful moment when we got attacked. As concerned citizens, I'm going to share with you a little bit about why I have made decisions I have made. I'll be glad to answer any question you have along those decisions.

But I vowed after September—on September the 11th and after I would use all assets at our disposal to protect you. That is, by far, the most important job of the President, is to secure this homeland. There are lessons to have been learned after September the 11th. One of them is that we cannot take our security for granted. Listen, I understand that this is a different kind of war, and there are some in our country that may not believe there

is a global war on terror. They may believe this is an isolated incident; I don't. I know we're at war with a jihadist movement that has got strategies and tactics to back up those strategies.

So we cannot take our security for granted. And we must remain on the offense, and we are. We're dismantling Al Qaida. It takes time. But whoever is the President of the United States after me must always keep the pressure on Al Qaida.

Secondly, we cannot let terrorists find safe haven. They found safe haven in Afghanistan, where they could plot and plan and attack. And therefore, it's very important for the United States to deny safe haven.

Thirdly, when we see a threat, we've got to take it seriously and never allow it to materialize. The first choice of any President ought to be to deal with issues diplomatically. And we dealt with the issue of Iraq diplomatically—Security Council resolution after Security Council resolution, until 1441, when the world spoke with a united voice that said to Iraq: “Disarm, disclose, or face serious consequences.” Saddam Hussein chose otherwise. He was removed from power. And there's no doubt in my mind that the United States is more secure, and the world is better off without Saddam Hussein in power.

And now we must achieve a victory in Iraq by helping this country defend itself, secure itself, and become an ally in the war on terror. The enemy we face has got a powerful weapon. They can't defeat us militarily. They do not have an ideology that is appealing to people. But they do have the capacity to kill innocent life, and they're willing to do so, all attempting to shake our will and cause us to leave the Middle East, so they can find safe haven from which to launch attacks. That is what they have said. And as your President, it is important for me to see the world the way it is, the realities of the world, not the way some would hope it would be.

We've got a three-part strategy in Iraq, that on the one hand says there is a—that politics can help achieve our objective. And the Iraqi people have said loud and clear—not in one election, but three elections during the past year—they want freedom. Eleven million people went to the polls in the face of terror and threats. There are some who are trying to, obviously, sow the seeds of sectarian strife. They fear the advancement of a democracy. They blow up shrines in order to cause this Iraqi democracy that is emerging to go backwards, to not emerge. That's what you're seeing on your TV screens. You're seeing the use of violence to try to create strife. And there's no question, this is a period of tension in Iraq.

The Iraqi forces responded well, however, which is the second part of our strategy, and that is to let the Iraqis take the fight to the enemy. It's up to Iraq to make the decision. They made the political decision, and now it's up to them to make the decision to defend their own security against those who would stop the march of democracy. And after the shrine bombing, while there was no question about it, there was attacks; nevertheless, the Iraqi forces moved. In 16 of the 18 Provinces, there was relative calm. And they performed, by and large, in good fashion.

I know people in your parts of the world wonder how long the troops are going to be there. They're going to be there so long as the commanders on the ground say they're necessary to achieve victory. But they're coming home as the Iraqis are more likely to be able to take the fight to the enemy.

And the third aspect is economic development. That includes wise reconstruction efforts, creation of a central bank, a sound currency, small businesses. And if we don't lose our nerve, I'm confident we'll achieve our objectives, and a democracy in the heart of the Middle East is going to help lay peace.

Part of winning this war on terror requires alliances. America has got a lot of friends in the war on terror. People understand the stakes. They understand that the bombings around the world were an indication of the plans that terrorists have for those of us who embrace freedom.

Obviously, you've been reading about the UAE issue. And I want to make a comment on that, the port issue. I'm sure that the decision by DP World was a difficult decision, to hand over port operations that they had purchased from another company. My administration was satisfied that port security would not have been undermined by the agreement. Nevertheless, Congress was still very much opposed to it. My administration will continue to work with the Congress to provide a greater understanding of how these transactions are approved, in other words, the process, and how we can improve that process in the future.

I'm concerned about a broader message this issue could send to our friends and allies around the world, particularly in the Middle East. In order to win the war on terror, we have got to strengthen our relationships and friendships with moderate Arab countries in the Middle East. UAE is a committed ally in the war on terror. They are a key partner for our military in a critical region.

And outside of our own country, Dubai services more of our military ships than any country in the world. They're sharing intelligence so we can hunt down the terrorists. They've helped us shut down a worldwide nuclear proliferation network run by A.Q. Khan. UAE is a valued and strategic partner. I'm committed to strengthening our relationship with the UAE and explaining why it's important to Congress and the American people.

Thank you for letting me come by. Be glad to answer some questions.

Yes, sir.

South Dakota Abortion Legislation

Q. Governor Mike Rounds signed a bill this week banning almost all abortions in South Dakota, sort of a frontal assault on the Constitution—[inaudible]. I wonder if you agree with this process that the State has taken.

The President. As a former Governor, I fully recognize that State legislatures will vote on matters that they think expresses the will of the local folks. Obviously, this bill he signed will work its way through the court system, and maybe someday be given a fair hearing in the Supreme Court. I don't know. I can't predict to you the course these legal challenges will take. I can assure you, however, if it does make it to the Supreme Court, the two people I nominated and who were approved were not picked because of any litmus test. They will interpret laws based upon the Constitution, is what they'll do. And so I followed this in the newspapers. I haven't talked to the Governor about it.

Health Care/Association Health Plans

Q. Mr. President—

The President. Yes, I meant to call on you first. I'm sorry. [Laughter] Don't hold it against the man from South Dakota.

Q. After that long introduction I gave you, I figured you owed me something.

The President. I do owe you one. [Laughter]

Q. This organization and its members are vitally interested in the passage of association health plans. And we wonder what the possibilities are for that.

The President. I appreciate that.

Q. And then as the next questions come around, we'll just hand this microphone around. So thank you.

The President. Look what you did. Fine with me. No, don't worry about it. I don't care. [Laughter] I don't have to deal with the guy. I'm fixing to leave. [Laughter] I'm going to go meet with President Toledo of Peru here after this.

The question is association health plans. First of all, I fully understand the pressures being put on small businesses because of rising health care costs. And therefore, good policy needs to address the rising cost of health care. I've got some ideas for you. I'll get to AHPs in a minute.

I think it's very important that there be more transparency in pricing in health care. It's really the only industry, when you think about it, where somebody else decides whether the price is worthwhile. The consumer isn't directly involved in health care decisions; a third-party payer is. And so there's really no interaction between the provider and the customer when it comes to health care.

I'm a big believer in what's called health savings accounts because it puts consumers in charge of health care decisions. And we strongly urge small businesses to look at this vehicle.

Secondly, the health care is an inefficient industry—when you really think about what information technology has done to your business, providing better productivity increases, as well as interesting challenges, by the way. The same productivity increases haven't happened in health care. I mean, you've got a guy writing down prescriptions by hand and/or files being written by hand, and doctors don't write so good anyway, which leads to medical error and inefficiencies.

So information technology, which we're now advancing here at the Federal level in conjunction with providers throughout the country to develop a common vocabulary so that eventually there will be electronic medical records with ample privacy protections available, will help wring out some of the costs of health care.

Health care costs are driven by frivolous lawsuits. Doctors practice defensive medicine in order to be able to withstand a court challenge. And a lot of times that practice of defensive medicine isn't necessary, except for legal reasons.

Secondly, lawsuits cause premiums to go up, which causes price to go up. And therefore, I'm a believer in medical liability reform at the Federal level. I wasn't when I first arrived in Washington; I thought States should handle it okay. But the problem is, is that it's estimated that these lawsuits and defensive practice of medicine and the rising premiums cause us to spend about \$28 billion a year in additional Federal money through Medicaid and Medicare and veterans' benefits. And so I'm for medical liability at the Federal level.

Finally, AHPs makes a lot of sense. I am a strong backer. I believe small businesses ought to be able to pool risk across jurisdictional boundaries so they can get the same benefits from larger risk pools that big companies get. So I'm a believer in AHPs. I think we've got a pretty good chance this year—I hope so—to get it out of the—I know we got it out of the House; we've got to get it out of the Senate. So part of a comprehensive strategy for dealing with health care costs is to have AHPs as a part of a health care vision.

Yes, sir.

Postal Reform

Q. Mr. President, I've got a followup question about the small business—keeping small business healthy, that you referred to. Postal delivery rates are very important to community newspapers, much as you might know, I believe, Bonnie Mullens, of the McGregor Mirror and Crawford Sun down in your area. And we are—

The President. She didn't call you to go after a subscriber, did she? [*Laughter*]

Q. No, we just did a little research.

The President. Okay, good. Smart man. That's called due diligence. [*Laughter*]

Q. Postal reform, which has been going on in Congress for about 10 years, was really pushed forward by a commission that you appointed, and it was passed overwhelmingly by both Houses. And we have this bill going to conference in April or

May. There's some concern that the administration may want to oppose this bill or veto it if it's so-called not favorable to the Federal budget. But there are things in that bill that are very important to the newspaper industry. And part of that is the funding that keeps rates fair—because of some overpayment of military pensions—that we don't think should be put on the taxpayers, the rate payers. So we'd ask your support on behalf of us and Bonnie Mullens—

The President. Thank you.

Q. —to support that bill as it's in the Congress if it comes to your desk, sir.

The President. As you know, we do support postal reform. And as you accurately noted, we've got the process started, and we look forward to working with Congress on an acceptable bill.

Frankly, this issue hasn't made it to my desk prior to me arriving at this meeting. And I'm mindful of the bill. I need to know more about the particulars before I make you a commitment one way or the other.

Yes, sir.

Iraq/Spread of Democracy

Q. Mr. President, what are our plans if civil war breaks out in Iraq?

The President. Yes. Step one is to make sure—do everything we can that there not be one. Secondly, I believe the Iraqi people have made a choice. It wasn't all that long ago that 11 million people went to the polls. It may seem like an eternity, but that was last December that people defied assassins, car bombers, threats, and said, "We want a democracy."

Secondly, the first real test for an interim government occurred when the Shias' shrine was blown up, the holy site. And while there's—as I said earlier, there was—no question there was violence and killing, the society took a step back from the abyss, and people took a sober reflection about what a civil war would mean.

I just got off of a teleconference with Ambassador Zal Khalilzad, as well as General Casey. They're obviously concerned about sectarian violence and the violence you see. They understand people are trying to create this tension, this ethnic tension. But they were also pleased with the response of the security forces. It wasn't perfect across the board. But nevertheless, in 16 of the 18 Provinces, I've mentioned that there was relative calm. Most of the violence was in the Baghdad area. It's the violence you're seeing on your TV screens.

And so the purpose is to make sure that we continue to remind the interim government that the people want democracy. One of the keys is going to be to get a unity government up and running, a government that reflects the diversity of the country. We talked about that today. We want the Iraqis to make that selection, of course. They are the ones who got elected by the people. They're the ones who must form the government.

But we are going to continue to remind them that the sooner they can get a unity government up and running, the more confidence the people will have in their future. So it's to take advantage of the desire of the Iraqis to live in a peaceful world and encourage government to continue to respond to fight off the desires of few people, fight off those who are trying to sow the seeds, and get a democracy going.

It's very important for the people in the Muslim world to understand that we understand there's a—we're dealing with a—that we want them to have a democracy that reflects their histories and their traditions. Iraqi democracy doesn't have to look like the United States, nor should it. But it's also important for people around the world to recognize that there are such things as the natural rights of men and women.

That's what we're founded on here in America. We believe in the universality of freedom. We believe people desire to be free, not just Americans, but universally. And that faith—at least my faith in the

natural rights of men and women and the desire for people to be free was expressed at the ballot box. And it's that powerful statement that I believe will enable Iraq to develop a democracy.

A democracy in Iraq is important. It's important to deny safe haven to Al Qaida. Zawahiri made it clear—he's the number-two man in Al Qaida—that it's just a matter of time for America leaving. That's what he said. And the reason why that was important for him to say because they wanted to use Iraq as a place to plot/plan, as well as to spread their jihadist, their Islamist—radical Islamic view. They're totalitarians. That's what they are. And we've got to recognize them as such.

And so it's kind of a long-winded answer to my belief that we will succeed, and we must succeed. And the reason I say we will is because the Iraqis want us to succeed. They want to succeed.

There's a lot of talk about Iran. A free Iraq will inspire reformers in Iran. I believe the more women are empowered in the Middle East, like it's going to happen in Iraq, the more that will inspire others in the Middle East to demand their freedom.

Now, if you don't believe freedom is universal, then I can understand skepticism about what I just said. But I reject that notion that freedom is only available to some of us. I believe liberty is universally desired. And I know it's in our interest to help democracy spread.

I like to remind people about this historical parallel, and I've used it a lot. You've probably have heard it, so I beg your pardon for bringing it up again. But it's important for me to connect the idea of laying the foundation for peace with reality, and that reality is what we see in Europe today. There were two major world wars in Europe in the 1990s—I mean, the 1900s. And today, Europe is free and whole and at peace. And a lot of that has to do with the fact that the nations of Europe are democracies. Democracies don't war.

One of my best buddies in the international arena is Prime Minister Koizumi of Japan. What's interesting about that is my dad fought the Japanese—as did, I'm sure, your relatives, some of your relatives. And yet today I can tell the newspaper owners that I work with Koizumi to keep the peace. Democracy has the capacity to turn enemies into allies and cause, kind of, warring factions to come together. And it's hard work to help a democracy get hold, particularly if you had just left—lived under the thumb of a brutal tyrant, somebody who'd kill you in a moment—or get you killed in a moment's notice.

Remember, we discovered mass graves of a lot of people in Iraq. This guy—Saddam Hussein was brutal for the people of Iraq. And there's a lot of tension and a lot of rivalry. One of the big issues we're going to have to deal with is to make sure that people don't take revenge outside the rule of law. Militias that are, kind of, seeking revenge. And at any rate, I'm just trying to share with you some of my—the philosophical tenets of the decisions I have made and my optimism about the future and my hopefully realistic assessment about the necessity for us to achieve our objectives.

Remember, this is a global war on terror. We've got a strong ally in Pakistan fighting off Al Qaida. And Saudi Arabia and the Kingdom of Saudi has committed itself to fighting Al Qaida. Lebanon is now becoming a freer democracy, although we've still got work there to make sure foreign influence is—allow the Lebanese democracy to grow. Libya made a decision to get rid of its weapons programs. And there's—positive things are happening, and they need to happen on a global basis because this is a global war on terror.

Yes, ma'am.

Trade

Q. Thank you, Mr. President. Many of the things that you've mentioned today are

affecting the State. We have a high unemployment rate. And of course, much of our economy is dependent upon the automobile industry.

The President. Right.

Q. General Motors is having problems with their health care plans, their pension plans, and of course, the issue of gas is definitely one—energy conservation. I know the auto industry has asked the administration for advice and for help in this problem. What role do you see the Federal Government playing in terms of some of the industries in the country that are partially problem-makers for your policies, as well for the people of our State?

The President. People have asked whether or not private companies that have made pension promises should be relieved of their responsibility. And my answer is, if you make a promise, you've got to keep it—that if you said, “I—company X, Y, Z—promise you this,” it's up to the company to make good on the promise. I think that's a very important principle to state loud and clear.

One of the real issues that affects Michigan and people in Michigan is trade. They're concerned about trade. They're worried that trade has only benefited our friends but not our country. Let me take a step back and tell you I'm a free trader. I believe it's very important for this country to be opening markets. I'm confident that if the playing field is level, that we can compete with anybody. And therefore, one of the things I've tried to assure the people of Michigan is that not only am I free trader, I believe the rules ought to be fair. In other words, I would hope that American people say, “Just treat us fairly, and we've got the confidence to compete.”

I know our farmers can compete. And for those of you who remember the price of soybean a couple of years ago, part of that is because we opened up markets. If you've got cattle men and women in your area, buying your newspapers, one of the things they constantly talk to me about is,

“Get those markets open; work with the Japanese to get that market open again.” If you've got chicken growers—I remember one of the first discussions I had with Vladimir Putin in Russia was, “You made some promises on our chickens; open up your markets like you said you would do.”

My point is, is that opening markets is good, so long as we're treated fairly. So I've constantly reminded the Chinese leadership that intellectual property rights needs to be protected; your currency needs to be floated; treat our people fairly. That's all we want. Our manufacturers need to have a level playing field.

And so I fully understand Michiganders' concerns about the trade arena. And I would think it would be a mistake if we become a protectionist nation. I thought so strongly about it that I put it in my State of the Union Address. I am worried about isolation and protectionism. To me, it's a lack of confidence in our ability to shape the future, and I think it would be wrong economic policy. And so I will continue to work to open up markets. But I fully am aware of the issues in Michigan.

Yes, sir.

Gulf Coast Reconstruction

Q. Mr. President, I publish in the southern and eastern suburbs of Baton Rouge, Louisiana.

The President. There you go.

Q. I know you've heard a lot of complaints from Louisiana and seen a lot of hands out. I would like to thank you for your personal interest and also for all the money. [*Laughter*]

My Congressman, Richard Baker, came up with the idea of employing a Federal entity to buy out property in New Orleans and sell it back into commerce selectively. It seemed to have a political consensus in Louisiana from both parties. It got to your office and was rejected.

The President. Correct.

Q. Can you talk a little bit about the problems that you see with Richard's plan?

And also, you're still about to send billions more down to us. How would you like to see that money handled, since you've been to us 10 times?

The President. Well, thank you. First of all, I want to thank the people of Baton Rouge for being so generous to the evacuees. I want to thank my fellow Texans for being generous to evacuees, and I'm sure people throughout—I'll bet you most of you are involved with communities that said, "Welcome." And that was a fantastic gesture of kindness by the American people, by the way.

I felt like there was a better approach to the housing issue. He's talking about a good fellow, a really good guy named Richard Baker, came up with a plan that basically had the Government buying the property, getting developers to develop the property, and to the extent that money was not recovered, the Government would basically be the banker.

Working with the folks—let me step back. Right off the bat, I knew it was important for Louisiana to develop its own plan, not have the Federal Government say, this is the—impose a plan, but to have the folks in Louisiana come up and develop a plan. We, obviously, have interfaced with them, because as you recognize, in kind of a cavalier way, "Thanks for all the money." [*Laughter*] Well, not "cavalier." You made sure you mentioned it, let me put it to you that way. [*Laughter*]

And Louisiana had the Baker plan but also was developing another plan, as well, and one that we agreed to. Governor Blanco has put together a citizens group of distinguished people—good, honorable people—who are working closely with the group that Mayor Nagin put together, to develop a plan that will take CDBG money, and money I've requested in the supplemental, to basically have money that goes directly to the homeowner. I like that idea better than the Government moving in and becoming the bank, as opposed to the Gov-

ernment providing money for individual homeowners to make decisions.

And the rules and the zoning laws attributable to that money are now being developed. But it's a very good concept, in my judgment. It's very important for Congress to make sure that the \$4.2 billion, I think it was, request in the supplemental go to Louisiana, as I said down in New Orleans the other day.

Step one in the recovery in New Orleans has got to be to make sure that the levees are strong enough—equal to or better than pre-Katrina—in order for there to be confidence for the market, confidence for the homeowner to be able to rebuild in certain parts of New Orleans.

Secondly, it's important that as the levees are rebuilt and people gain confidence, that there be a rational development plan in place. I think a lot of taxpayers really don't want to pay money for people to rebuild in an area that's likely to be flooded again. And the people of New Orleans understand that, and the people of Louisiana understand that. That issue is being addressed.

Thirdly, it's very important that the Federal Government rebuild the infrastructure that we're obligated to rebuild in a timely fashion. Incredibly enough, the Slidell bridge, as I understand it, because of proper incentives, was built in record time, under budget. That may be a contradiction in terms when you hear a Federal official saying, "under budget, on time," but nevertheless, I believe that's what the Governor told me.

And so there is a comprehensive strategy in place that I'm comfortable with. Details need to be worked out, more details about dealing with the flood plain issue and how high the houses have to be rebuilt if people choose to rebuild there. I like the idea of funding people, of letting them make the decision.

By the way, Mississippi—and I don't know if we've got any folks from Mississippi here—but if you've ever been to the gulf coast of Mississippi since the storm, you'll

know what I'm saying—it looked like a bomb blast. It just leveled, absolutely wiped out a lot of homes and property and some lives along there. And they developed a plan too—their own plan.

Louisiana is different from Mississippi. They came up with a Mississippi plan that has been funded. And they are now in the process of saying to homeowners, “We’re helping you rebuild your lives.” I went to a home where the guy building—rebuilding it on the beach. I forgot how high he’s got it up, but it’s high enough to meet new standards, new building standards.

Debris removal in both locations is—you just can’t imagine how much debris was there. As you know, I’m not too poetic to begin with, so I’ll probably not be able to describe it properly. Let me just say, it’s a lot. [Laughter] I mean, a whole lot. And Mississippi has moved a lot of it off private and public land—I’m probably telling you more than you want to know.

I’ll just give you an interesting public policy dilemma. When we first got down there, the Government will remove debris off public property but not private—will pay to remove debris off public property but not private property. The simplest way to explain why not is, you start moving debris off private property, and the guy shows up and says, “Where’s my million-dollar necklace?” And so therefore, there needs to be a kind of a held-harmless statute, or a held-harmless agreement with local authorities. And so we’ve devised a perfectly legal way of saying that if you declare a health and safety hazard for particular blocks, then Government money will pay to clean up the land. A lot of Mississippi has been cleaned up because a lot of the local folks decided to take that tack.

Now, the problem in Louisiana, as far as debris cleanup, is that—like in the lower Ninth, a lot of people haven’t come back to their homes yet to see the devastation. They’ve been displaced around the country. And until people are able to come home and until people are clear about what the

rules will be and the funding mechanism will be, it’s going to be—the debris removal will be slow. We’ve done a pretty effective job of cleaning debris off the public right-of-ways, public lands but not off the private lands. And so that’s yet another deterrent to economic development.

So all this is coming together. My point—the funding is coming together; the levees are coming together; the rules about reconstruction are coming—or rebuilding are coming together; and the debris removal, albeit slow at this point in time, waiting for people to inspect their houses, will probably accelerate when people realize there’s a way forward—long answer to a complicated problem.

We’ve got \$100 billion that has been allocated for the region, which is going to create some interesting opportunities and further problems. One is going to be labor. People are going to be rebuilding down there a long time. If you’re interested in making a living, go down there, and there will be a job. And we want the first people hired, of course, to be Mississippi people and Louisiana people. It’s a great opportunity, by the way, for small business development. And I’m a believer—as you can tell, I’m an optimistic person. I believe that out of this terrible harm and grief is going to come a vibrant part—a vibrant economy.

You know, sales taxes receipts are, I think, almost equal to what they were last year in Mississippi. It’s amazing, isn’t it? There’s great resiliency to the American people.

Anyway, thanks for asking. Yes, sir.

Democracy/Free Speech

Q. Aurora, Colorado—and in our town a teacher was suspended for remarks critical of your State of the Union message, made the talk shows, et cetera—compared you to Hitler and—actually, I’ve heard the tape and he didn’t; he said, “Hitler-esque,” but it’s not the—

The President. He’s not the only one. [Laughter]

Q. And it's not the content that my question is about. My question is about your sense of the free speech right in the classroom or in public to criticize you without being considered unpatriotic.

The President. Yes, I think people should be allowed to criticize me all they want, and they do. [*Laughter*] Now, what are you all laughing at over there? [*Laughter*] Don't cheer him on. [*Laughter*]

Look, there are some certain basic freedoms that we've got to protect. The freedom of people to express themselves must be protected. The freedom of people to be able to worship freely—that freedom is valuable. I tell people all the time, you're equally American if you're a Christian, Jew, or Muslim. You're equally American if you believe in an Almighty or don't believe in an Almighty; that's a sacred freedom.

The right for people to express themselves in the public square is a freedom. Obviously, there's limitations—if, for example, someone is inciting violence, or the destruction of property, or public—causing somebody harm. But the idea of being able to express yourself is a sacred part of our society. And that's what distinguishes us from the Taliban, and that's important for Americans to understand.

We're in an ideological struggle. And one way for people to connect the ideological struggle with reality is to think about what life was like for people under the rule of the Taliban. If you didn't agree with their view of religion, you were punished. If you tried to send your little girl to school, you were punished. These people have a backward view. I don't believe—I believe religion is peaceful. I believe people who have religion in their heart are peaceful people. And I believe these people have subverted a great religion to accomplish a political end.

And so thank you for bringing that up; I appreciate it. People say to me, my buddies in Texas, "How do you handle all this stuff?" After a while, you get used to it. [*Laughter*] But you have to believe in what

you're doing, see. You have to believe in certain principles and beliefs. And you can't let the public opinion polls and focus groups, one, cause you to abandon what you believe and become the reason for making decisions.

My job is a job where I make a lot of decisions. And I decide big things and little things. And there are certain principles to decisionmaking. You make decisions—you know, you have to make a lot of decisions. And you don't put your finger in the air to figure out how to make a decision, and neither should the President of the United States. And you have to know what you believe.

Good decisionmaking rests on certain basic principles. I believe in the universality of freedom. I believe democracies lead to peace. I believe people ought to worship freely. I do believe there's an Almighty God that has spread freedom—making freedom available for everybody. I believe in private enterprise. I believe in free enterprise. I believe in high standards in education. These are basic beliefs that I'm not going to change.

And I know some would like me to change, but you can't be a good decision-maker if you're trying to please people. You've got to stand on what you believe. That's what you've got to do if you're going to make decisions that are solid and sound. And I understand some of the things I've done are unpopular, but that's what comes with the territory.

If you're afraid to make decisions and you only worry about whether or not people in the classroom are going to say nice things about you, you're not leading. And I think we've got to lead. We've got to lead to spread the peace; we've got to lead to protect this country; and we've got to lead to make sure we're the preeminent economic power, so our people can benefit.

Yes, sir.

War on Terror/Iran/North Korea

Q. Who do you think the biggest threat is: Iran, North Korea, or China?

The President. Interesting question. The biggest threat to American security: Iran, North Korea, or China. Why did I call on you? [*Laughter*] No. It would be an Oklahoma guy, you know? [*Laughter*]

The biggest threat to American security, short-term, is Al Qaida. They would like to attack us again. I think about Al Qaida and their potential to attack all the time—all the time. That's what you want your President doing. My job is to basically insulate people from some concerns. You don't risk capital if you're worried about an attack coming tomorrow. You don't go confidently about your business if an attack is right around the corner. I understand that. But I think about it a lot. So step one—I'm changing your question: Would you please order the threats?—Al Qaida.

I said in an early speech there was an axis of evil, and it included Iran and North Korea. I said that, I think, help me out here, April—2002 perhaps? Yes, State of the Union. If it's not 2002, it's April's [April Ryan, American Urban Radio Networks] fault, because she nodded her head. [*Laughter*] Relatively early in my Presidency.

I did that because I'm concerned about totalitarian governments that are not transparent, that have stated their intentions to develop nuclear weapons. One of the real dangerous threats, of course, is the nexus of terrorist groups, nonstate groups that get a weapon of mass destruction, which is their stated objective. And so I'm concerned about that.

I'm concerned about—I would say they're equal, Iran and North Korea, as for a security threat, because any time there's a nontransparent regime without a free press to hold people to account, it creates an unpredictability in the world. The Iranian President has stated his desire to destroy our ally, Israel. So when you

start listening to what he has said, to their desire to develop a nuclear weapon, then you begin to see an issue of grave national security concern.

And therefore, it's very important for the United States to continue to work with others to solve these issues diplomatically—in other words, to deal with these threats today, and we are. We've got the EU-3—which is Great Britain, France, and Germany—diplomatic lingo, sorry—are basically taking the position for the free world to the Iranians, that said, “No nuclear weapon and no knowledge about how to make a nuclear weapon.”

I talked to Vladimir Putin this week—or the Foreign Minister from Russia this week, about making sure that we're—Russia says the same thing. In other words, we want the Iranians to hear loud and clear that the world is speaking with one voice when it comes to their capacity to develop a nuclear weapon. Remember now, the reason we are where we are is because they had agreed to international norms and then were caught not adhering to the international norms. In other words, they basically tried to pull one over on the world. And to me, that's a warning signal we've got to take seriously.

Korea—the issue is one in which we tried to alter the relationship with the Koreans to be more than just the voice of the United States saying to the Koreans the same thing. And so we've now got China, South Korea, Russia, Japan, and the United States involved in what's called the six-party talks.

Ultimately, I think it's very important for the people in those countries to be able to live in a free society. If you believe liberty is universal, then you would hope liberty would spread to those countries as well.

The Chinese—you know, our relationship is a very interesting relationship with the Chinese. It's an amazing country, in many ways. It's a country that has got—it's got to create 25 million new jobs a year to

stay even. Think about that. It's a country that has chosen the path, by and large, of markets and enterprise. They are an economic issue for us, and that's why we've got a huge deficit with them. And therefore, it's very important for the Government to, on the one hand, reject protectionism, but on the other hand, insist that their market is open and it be traded freely and fairly, like I answered the lady from Michigan. I don't view—China is a more—China is a strategic partner when it comes to trade, for example. And I can't say that about the other two countries. And so the relationship is different; it's a different relationship.

He's giving me the hook, because I've got to go see President Toledo. But anyway—yes, ma'am.

No Child Left Behind Act

Q. I represent the Tullahoma News, from Tullahoma, Tennessee. I have the very best job there. I'm the wife of the publisher.

The President. Yes. I don't know if Laura would say the same thing. [Laughter]

Q. But I wanted to know what you understand the complaints to be about your No Child Left Behind policy, and if you acknowledge those complaints as any weaknesses to the policy? How effective do you think that it is in spite of that?

The President. No, good question. I'm glad you brought up No Child Left Behind. The complaint is that, "How dare the Government cause us to measure"—one of the complaints—"Too much testing," you know. I heard that when I was the Governor of Texas. Jerry didn't editorialize there, I'm sure. [Laughter] Maybe you did.

You know, "How dare you test people who don't speak English as a first language." My answer to those concerns is that, how do you know if you don't test? How can you possibly tell whether a child is learning to read and write if you don't measure? When I was the Governor of our State, I was deeply concerned about a sys-

tem where people would come to me and say, "You know what? We're getting kids in college that are not very literate." This kind of, just—social promotion was the culture and the norm.

If I were a newspaper owner, I'd want to make sure people could read. And one way to make sure people read is to measure early whether or not people can pass a test. I've heard people say, "All we're doing is teaching the test; you're causing people to teach the test." And my answer to that is, teaching a child to be literate will enable that child to pass the test. There's something fundamental about literacy.

Secondly, people said, "We believe in local control of schools, and the No Child Left Behind Act is not local control of schools." I strongly disagree. I believe in local control of schools. The No Child Left Behind Act said, "We're spending a lot of Federal money, particularly on Title I students; show us whether or not the money is being well spent."

We didn't say, "Here's the curriculum you must use; here are the class sizes you'll have." We didn't say, "We're going to design the test on your behalf." I fought off a national test, because I believed a national test would undermine local control of schools. All we said was, "Measure, and post your scores for everybody to see, and that you've got to be meeting a higher standard." In other words, we're holding people to standards. So I believe the No Child Left Behind Act honors local control of schools.

One of the classic debates that takes place at the local level is what curriculum to use. I'm sure some of you have been through the classic reading curriculum debates. They raged hot and heavy in the State of Texas for a while. And you'd have, this side would be yelling at that side. One way to make sure that your curriculum works is to measure. If a child is passing reading by using this curriculum, and another child is not passing reading when they use another curriculum, it provides a

useful tool for the local newspaper, for example, to say, "We told you so; the curriculum is not working," or, "We told you so; the curriculum is working."

There's got to be accountability in the public school system. If you do not diagnose a problem, you can never solve the problem. And one of the things about No Child Left Behind which is important is that when we diagnose a reading problem early, there is supplemental service money to help that child be brought up to speed. That's why it's called No Child Left Behind. We believe every child can learn—every child. And therefore, this is a program that says we want accountability for the taxpayers' money. We'll provide extra help early on when we find a child who needs extra help. And it's working. That's the other thing that I would tell people. How do I know? Because we measure.

There's an achievement gap in America that is not right. When you measure at the fourth grade, Anglo kids did fine; African American and Latino kids didn't. And that's not fair, and it's not right. And so we've essentially ended social promotion in the early grades and said, we're going to correct problems. And it's working because that gap is narrowing. And the reason I can say that is because we measure.

Interestingly enough, when you, kind of, compare measurements internationally in math and science or math, we're doing fine in the fourth grade. We're falling off in the eighth grade. And so what I want to do is to apply the same rigor for reading that we did in the early grades to math in junior high. So in the eighth grades we get those scores and, kind of, lay that foundation for the sciences and the engineering—the physicists, so we can compete.

I'm a strong believer in No Child Left Behind. My Secretary of Education, my

good buddy, Margaret Spellings, who helped me put a similar program in place in the State of Texas, is now the Secretary of Education. She's obviously listening to complaints about certain aspects of AYP. But we're not going to undermine the basic tenet that says we believe in high standards; we believe every child can learn; and we're going to measure. And when we see the status quo is unacceptable, we'll challenge the status quo. That's what you need to, and I'm sure you are doing that. It ought to be unacceptable to opinion makers when you find illiteracy. And you ought to demand change, not only for your own self interest but for the sake of this country. And so thanks for asking the question.

I've got to go. Listen, I'll be a diplomatic problem if I don't get over there on time. [Laughter] I'm honored you'd have me. Thanks for letting me come by and visit with you. God bless.

NOTE: The President spoke at 9:45 a.m. at the Wyndham Washington Hotel. In his remarks, he referred to Jerry Reppert, president, and Jerry Tidwell, vice president, National Newspaper Association; former President Saddam Hussein of Iraq; A.Q. Khan, former head of Pakistan's nuclear weapons program; U.S. Ambassador to Iraq Zalmay Khalilzad; Gen. George W. Casey, Jr., USA, commanding general, Multi-National Force—Iraq; Ayman al-Zawahiri, founder of the Egyptian Islamic Jihad and senior Al Qaida associate; President Vladimir V. Putin and Minister of Foreign Affairs Sergey V. Lavrov of Russia; Gov. Kathleen Babineaux Blanco of Louisiana; Mayor C. Ray Nagin of New Orleans, LA; President Mahmud Ahmadi-nejad of Iran; and President Alejandro Toledo of Peru.

Remarks Following Discussions With President Alejandro Toledo of Peru March 10, 2006

President Bush. I am very pleased to welcome *mi amigo* back to the Oval Office. I have grown to admire President Toledo for his strength of character, his clear vision, his willingness to make difficult decisions, even sometimes when the popularity polls suggest he do something differently. Leadership requires strength of character, the willingness to make tough choices.

I admire my friend's record. Peru is on the verge of elections, and he'll be passing on to a successor a stable economy and stable political process. And that is a wonderful legacy—the first President in 50 years to be able to say, “I'm passing on a stable economy and a stable political process.”

I admire the growth rate, the economic growth rate of Peru. It's the strongest growth rate in South America. I always admire this about my friend—he is—he says that one of his biggest goals was to reduce poverty, and he recognizes that while progress is being made—a lot of progress—that more needs to be done. He cares deeply about the people of Peru. He's a man of—he's got a *corazon gigante*.

I have enjoyed working with him. We accomplished some important missions, one of which was a free trade agreement between Peru and the United States was the result of his leadership and his vision.

And so it's with mixed emotions that I meet my friend. I'm pleased to be in the presence of an accomplished person, somebody who's led, and I'm going to miss working with him, because he's been a partner in peace.

And so, Mr. President, welcome to the Oval Office. It's an honor to have you back, and it's a joy to be with you. Welcome.

President Toledo. Thank you very much. You're very generous.

Let me say very briefly, Peru and Latin America are partners with the United

States in more than just a free trade agreement. It's very important, the free trade agreement, because it generates jobs and enables to continue the sustained rates of economic growth, to reduce poverty. But we are also partners in spreading the democratic values in the region. We're also partners in the fight against narcotrafficking and terrorism. We are partners in the search of peace in the world. We are partners in trying to inculcate in the region that democracy is the imperfect way, but it's the best way that we have. We are partners in trying to convey the idea that being elected democratically is good, but it's insufficient; we need to govern democratically.

And I'm sure that after I finish and pass away the power to the next President, the Peruvians and Latin Americans do not want to go through this cycle that creates instability, that does not attract capital investment to continue growth, to generate jobs, to invest more in health, nutrition, and education, and to reduce poverty.

Mr. President, partnership means to focus seriously and deliver results in what we believe, but also means to have the degrees of tolerance to entertain our differences. And that's democracy, as practiced over here.

It has been a very productive relationship. I also have mixed feelings. And I would say publicly, you are my friend now, you will be my friend after I'm not President, and you will be my friend when you are no longer President. [Laughter]

The United States is a market of 290 million people, with an average income of \$37,000 a year. It's a market that I will leave for the next President, and that means jobs, because that has to do with poverty. I don't believe in giving away fish, just a decent job and a quality education and health.