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There's an old saying, "Do not pray for tasks equal to your powers. Pray for powers equal to your tasks." In 4 historic years, America has been given great tasks and faced them with strength and courage. Our people have restored the vigor of this economy and shown resolve and patience in a new kind of war. Our military has brought justice to the enemy and honor to America. Our Nation has defended itself and served the freedom of all mankind. I'm proud to lead such an amazing country, and I'm proud to lead it forward.

Because we have done the hard work, we are entering a season of hope. We'll continue our economic progress. We'll reform our outdated Tax Code. We'll strengthen the Social Security for the next generation. We'll make public schools all they can be. And we will uphold our deepest values of family and faith.

We will help the emerging democracies of Iraq and Afghanistan so they can grow in strength and defend their freedom. And then our service men and women will come home with the honor they have earned. With good allies at our side, we will fight this war on terror with every resource of our national power so our children can live in freedom and in peace.

Reaching these goals will require the broad support of Americans. So today I want to speak to every person who voted for my opponent: To make this Nation stronger and better, I will need your support and I will work to earn it. I will do all I can do to deserve your trust. A new term is a new opportunity to reach out to the whole Nation. We have one country, one Constitution, and one future that binds us. And when we come together and work together, there is no limit to the greatness of America.

Let me close with a word to the people of the State of Texas. We have known each other the longest, and you started me on this journey. On the open plains of Texas, I first learned the character of our country, sturdy and honest and as hopeful as the break of day. I will always be grateful to the good people of my State. And whatever the road that lies ahead, that road will take me home.

The campaign has ended, and the United States of America goes forward with confidence and faith. I see a great day coming for our country, and I am eager for the work ahead.

God bless you, and may God bless America.

NOTE: The President spoke at 3:08 p.m. at the Ronald Reagan Building and International Trade Center. In his remarks, he referred to Marc Racicot, campaign chairman, and Ken Mehlman, campaign manager, Bush-Cheney '04, Inc.; and Ed Gillespie, chairman, Republican National Committee. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

Remarks Following a Cabinet Meeting

November 4, 2004

I just met with my Cabinet. I am proud of every person here. They've done a great job for the country. I reminded them that even though our election just ended, we've still got work to do. I talked about an agenda that we will complete and an agenda that we will take forward.

I made it clear to them I was glad the election was over and reminded them that we're here for a reason. And to a person, they understand that it's such an honor to serve America, it's a privilege to sit around this table, and that we will all continue to do the people's business.

But anyway, I want to thank them all for their hard work. I am—when I told the people that I put together a fantastic group of men and women, I meant every word of that, and I want to thank them all for their service.

Thank you.

NOTE: The President spoke at 10:48 a.m. in the Cabinet Room at the White House. The Office of the Press Secretary also released a Spanish language transcript of these remarks. A tape was not available for verification of the content of these remarks.

The President's News Conference

November 4, 2004

The President. Thank you all. Please be seated. Yesterday I pledged to reach out to the whole Nation, and today I'm proving that

I'm willing to reach out to everybody by including the White House press corps. [*Laughter*]

This week the voters of America set the direction of our Nation for the next 4 years. I'm honored by the support of my fellow citizens, and I'm ready for the job.

We are fighting a continuing war on terror, and every American has a stake in the outcome of this war. Republicans, Democrats, and independents all love our country, and together we'll protect the American people. We will preserve—we will persevere until the enemy is defeated. We will stay strong and resolute. We have a duty, a solemn duty to protect the American people, and we will.

Every civilized country also has a stake in the outcome of this war. Whatever our past disagreements, we share a common enemy, and we have common duties to protect our peoples, to confront disease and hunger and poverty in troubled regions of the world. I'll continue to reach out to our friends and allies, our partners in the EU and NATO, to promote development and progress, to defeat the terrorists, and to encourage freedom and democracy as alternatives to tyranny and terror.

I also look forward to working with the present Congress and the new Congress that will arrive in January. I congratulate the men and women who have just been elected to the House and the Senate. I will join with old friends and new friends to make progress for all Americans.

Congress will return later this month to finish this current session. I urge Members to pass the appropriations bill that remain, showing spending discipline while focusing on our Nation's priorities. Our Government also needs the very best intelligence, especially in a time of war. So I urge the Congress to pass an effective intelligence reform bill that I can sign into law.

The new Congress that begins its work next year will have serious responsibilities and historic opportunities. To accelerate the momentum of this economy and to keep creating jobs, we must take practical measures to help our job creators, the entrepreneurs and the small-business owners. We must confront the frivolous lawsuits that are driving up the cost of health care and hurting doctors and patients. We must continue the work of education reform to bring high standards and accountability not just to our elementary and secondary schools but to our high schools as well.

We must reform our complicated and outdated Tax Code. We need to get rid of the needless paperwork that makes our economy—that is a drag on our economy, to make sure our economy is the most competitive in the world.

We must show our leadership by strengthening Social Security for our children and our grandchildren. This is more than a problem to be solved. It is an opportunity to help millions of our fellow citizens find security and independence that comes from owning something, from ownership.

In the election of 2004, large issues were set before our country. They were discussed every day on the campaign. With the campaign over, Americans are expecting a bipartisan effort and results. I'll reach out to everyone who shares our goals. And I'm eager to start the work ahead. I'm looking forward to serving this country for 4 more years.

I want to thank you all for your hard work in the campaign. I told you that the other day, and you probably thought I was just seeking votes. [*Laughter*] But now that you voted, I really meant it. I appreciate the hard work of the press corps. We all put in long hours, and you're away from your families for a long period of time. But the country is better off when we have a vigorous and free press covering our elections. And thanks for your work. Without overpandering, I'll answer a few questions. [*Laughter*]

Hunt [Terence Hunt, Associated Press].

Middle East/Iraq

Q. Mr. President, thank you. As you look at your second term, how much is the war in Iraq going to cost? Do you intend to send more troops or bring troops home? And in the Middle East, more broadly, do you agree with Tony Blair that revitalizing the Middle East peace process is the single most pressing political issue facing the world?

The President. Now that I've got the will of the people at my back, I'm going to start enforcing the one-question rule. That was three questions. [*Laughter*]

I'll start with Tony Blair's comments. I agree with him that the Middle East peace is a very important part of a peaceful world. I have been working on Middle Eastern peace ever since I've been the President. I've laid down some—a very hopeful strategy on—in June of 2002, and my hope is that we will make good progress. I think it's very important for our friends the Israelis to have a peaceful Palestinian state living on their border. And it's very important for the Palestinian people to have a peaceful, hopeful future. That's why I articulated a two-state vision in that Rose Garden speech. I meant it when I said it, and I mean it now.

What was the other part of your question?

Q. Iraq.

The President. Oh, Iraq, yes. Listen, we will work with the Allawi Government to achieve our objective, which is elections, on the path to stability, and we'll continue to train the troops. Our commanders will have that which they need to complete their missions.

And in terms of the cost, I—we'll work with OMB and the Defense Department to bring forth to Congress a realistic assessment of what the cost will be.

Supreme Court Nominations/The Cabinet

Q. Thank you, Mr. President. How will you go about bringing people together? Will you seek a consensus candidate for the Supreme Court if there's an opening? Will you bring some Democrats into your Cabinet?

The President. Again, he violated the one-question rule right off the bat. Obviously, you didn't listen to the will of the people. But first of all, there's no vacancy for the Supreme Court, and I will deal with a vacancy when there is one. And I told the people on the campaign trail that I'll pick somebody who knows the difference between personal opinion and the strict interpretation of the law. You might have heard that several times. I meant what I said. And if people are interested in knowing the kind of judges I'll pick, look at the record. I've sent up a lot of judges, well-qualified people who know the law, who represent a judicial temperament that I agree with, and who are qualified to hold the bench.

The second part of your two-part question?

Q. Any Democrats to your Cabinet, by any chance?

The President. I haven't made any decisions on the Cabinet yet.

Bipartisanship

Q. How else will you bring people together?

The President. We'll put out an agenda that everybody understands and work with people to achieve the agenda. Democrats want a free and peaceful world, and we'll—and right away, right after September the 11th we worked very closely together to secure our country. There is a common ground to be had when it comes to a foreign policy that says the most important objective is to protect the American people and spread freedom and democracy. There's common ground when it comes to making sure the intelligence services are able to provide good, actionable intelligence to protect our people. It's not a Republican issue. It's a Republican and Democrat issue. So I'm—plenty of places for us to work together.

All right, Gregory [David Gregory, NBC News].

War on Terror/Promoting Democracy

Q. Thank you, Mr. President. On foreign policy, more broadly, do you believe that America has an image problem in the world right now because of your efforts in response to the 9/11 attacks? And, as you talked down the stretch about building alliances, talk about what you'll do to build on those alliances and to deal with these image problems, particularly in the Islamic world.

The President. I appreciate that. Listen, I've made some very hard decisions, decisions to protect ourselves, decisions to spread peace and freedom. And I understand that in certain capitals and certain countries, those decisions were not popular.

You know, you said—you asked me to put that in the context of the response on September the 11th. The first response, of course, was chasing down the terror networks, which we will continue to do. And we've got great response around the world in order to do that. There's over 90 nations

involved with sharing information, finding terrorists, and bringing them to justice. That is a broad coalition, and we'll continue to strengthen it.

I laid out a doctrine, David, that said, "If you harbor a terrorist, you're equally as guilty as the terrorists," and that doctrine was ignored by the Taliban, and we removed the Taliban. And I fully understand some people didn't agree with that decision. But I believe that when the American President speaks, he'd better mean what he says in order to keep the world peaceful. And I believe we have a solemn duty, whether or not people agree with it or not, to protect the American people. And the Taliban and their harboring of Al Qaida represented a direct threat to the American people.

And of course, then the Iraq issue is one that people disagreed with. And there's no need to rehash my case, but I did so, I made the decision I made, in order to protect our country, first and foremost. I will continue to do that as the President. But as I do so, I will reach out to others and explain why I make the decisions I make.

There is a certain attitude in the world, by some, that says that it's a waste of time to try to promote free societies in parts of the world. I've heard that criticism. Remember, I went to London to talk about our vision of spreading freedom throughout the greater Middle East. And I fully understand that that might rankle some and be viewed by some as folly. I just strongly disagree with those who do not see the wisdom of trying to promote free societies around the world.

If we are interested in protecting our country for the long term, the best way to do so is to promote freedom and democracy. And I simply do not agree with those who either say overtly or believe that certain societies cannot be free. It's just not a part of my thinking. And that's why during the course of the campaign, I was—I believe I was able to connect, at least with those who were there, in explaining my policy, when I talked about the free elections in Afghanistan.

There were—there was doubt about whether or not those elections would go forward. I'm not suggesting any of you here expressed skepticism, but there was. There was deep skepticism, and because there is a attitude among some that certain people may never be free—they just don't long to be free or incapable of running an election, and I disagree with that. And the Afghan people, by going to the polls in the millions, proved that this administration's faith in freedom to change people's habits is worthy. And that will be a central part of my foreign policy. And I've got work to do to explain to people about why that is a central part of our foreign policy. I've been doing that for 4 years.

But if you do not believe people can be free and can self-govern, then all of a sudden the two-state solution in the Middle East becomes a moot point, invalid. If you're willing to condemn a group of people to a system of government that hasn't worked, then you'll never be able to achieve the peace. You cannot lead this world and our country to a better tomorrow unless you see a better—unless you have a vision of a better tomorrow. And I've got one, based upon a great faith that people do want to be free and live in democracy.

John [John Roberts, CBS News], and then I'll get to Terry [Terry Moran, ABC News]. No followups today, Gregory.

Q. Thank you, sir.

The President. I can see one—yes.

Troop Levels in Iraq

Q. Would you like it? Now that the political volatility is off the issue because the election is over, I'd like to ask you about troop levels in Iraq in the next couple of months leading up to elections. The Pentagon already has a plan to extend tours of duty for some 6,500 U.S. troops. How many more will be needed to provide security in Iraq for elections, seeing as how the Iraqi troops that you're trying to train up are pretty slow coming on line?

The President. Yes, first of all, the—we are making good progress in training the Iraqi troops. There will be 125,000 of them trained by election time.

Secondly, I have yet to—I have not sat down with our Secretary of Defense talking about troop levels. I read some reports during the course of the campaign where some were speculating in the press corps about the

number of troops needed to protect elections. That has not been brought to my attention yet. And so I would caution you that what you have either read about or reported was pure speculation thus far. These elections are important, and we will respond, John, to requests of our commanders on the ground. And I have yet to hear from our commanders on the ground that they need more troops.

Terry.

Religious Values

Q. Mr. President, your victory at the polls came about in part because of strong support from people of faith, in particular, Christian evangelicals and Pentecostals and others. And Senator Kerry drew some of his strongest support from those who do not attend religious services. What do you make of this religious divide, it seems, becoming a political divide in this country? And what do you say to those who are concerned about the role of a faith they do not share in public life and in your policies?

The President. Yes. My answer to people is, I will be your President regardless of your faith, and I don't expect you to agree with me necessarily on religion. As a matter of fact, no President should ever try to impose religion on our society. A great—the great tradition of America is one where people can worship the way they want to worship. And if they choose not to worship, they're just as patriotic as your neighbor. That is an essential part of why we are a great nation. And I am glad people of faith voted in this election. I'm glad—I appreciate all people who voted. I don't think you ought to read anything into the politics, the moment, about whether or not this Nation will become a divided nation over religion. I think the great thing that unites us is the fact you can worship freely if you choose, and if you—you don't have to worship. And if you're a Jew or a Christian or a Muslim, you're equally American. That is such a wonderful aspect of our society. And it is strong today, and it will be strong tomorrow.

Jim [Jim Angle, FOX News].

Social Security Reform

Q. Thank you, sir. Mr. President, you talked once again this morning about private accounts in Social Security. During the campaign, you were accused of planning to privatize the entire system. It has been something you've discussed for some time. You've lost some of the key Democratic proponents, such as Pat Moynihan and Bob Kerrey, in the Congress. How will you proceed now with one of the key problems, which is the transition cost—which some say is as much as $2 trillion—how will you proceed on that? And how soon?

The President. Well, first, I made Social Security an issue. For those of you who had to suffer through my speeches on a daily basis, for those of you who actually listened to my speeches on a daily basis, you might remember, every speech I talked about the duty of an American President to lead. And we have—we must lead on Social Security because the system is not going to be whole for our children and our grandchildren.

And so the answer to your second question is, we'll start on Social Security now. We'll start bringing together those in Congress who agree with my assessment that we need to work together. We've got a good blueprint, a good go-by. You mentioned Senator Moynihan. I had asked him prior to his passing to chair a committee of notable Americans to come up with some ideas on Social Security, and they did so. And it's a good place for Members of Congress to start.

The President must have the will to take on the issue not only in the campaign but now that I'm elected. And this will—reforming Social Security will be a priority of my administration. Obviously, if it were easy, it would have already been done. And this is going to be hard work to bring people together and to make—to convince the Congress to move forward, and there are going to be costs. But the cost of doing nothing is insignificant to—is much greater than the cost of reforming the system today. That was the case I made on the campaign trail, and I was earnest about getting something done. And as a matter of fact, I talked to members of my staff today, as we're beginning to plan to—the strategy to move agendas forward, about how to do this and do it effectively.

Q. If I could, Mr. President——

The President. Yes—no, no, you're violating the followup rule. It would hurt Gregory's feelings.

King [John King, Cable News Network]. It's a new——

Q. Mr. President, thank you.

Q. That's always one of my concerns.

The President. Hurting Gregory's feelings? He is a sensitive guy, well centered, though. [*Laughter*]

2004 Election Night/1992 Election

Q. I'm not going there. Mr. President, you were disappointed, even angry, 12 years ago when the voters denied your father a second term. I'm interested in your thoughts and the conversation with him yesterday as you were walking to the Oval Office, and also whether you feel more free to do any one thing in a second term that perhaps you were politically constrained from doing in a first.

The President. At 3:30 in the morning on—I guess it was the day after the election, he was sitting upstairs, and I finally said, "Go to bed." He was awaiting the outcome and was hopeful that we would go over and be able to talk to our supporters, and it just didn't happen that way.

So I asked him the next morning when he got up, I said, "Come by the Oval Office and visit." And he came by, and we had a good talk. He was heading down to Houston. And it was—there was some uncertainty about that morning as to when the election would actually end. And it wasn't clear at that point in time, so I never got to see him face to face to watch his, I guess, pride in his tired eyes as his son got a second term.

I did talk to him, and he was relieved. I told him to get a nap. I was worried about him staying up too late. But—so I haven't had a chance to really visit and embrace.

And you're right, '92 was a disappointment. But he taught me a really good lesson, that life moves on. And it's very important for those of us in the political arena, win or lose, to recognize that life is bigger than just politics, and that's one of the really good lessons he taught me.

Electoral Process/President's Agenda

Q. Do you feel more free, sir?

The President. Oh, in terms of feeling free, well, I don't think you'll let me be too free. There's accountability and there are constraints on the Presidency, as there should be in any system. I feel it is necessary to move an agenda that I told the American people I would move. There's something refreshing about coming off an election, even more refreshing since we all got some sleep last night, but there's—you go out and you make your case, and you tell the people, "This is what I intend to do." And after hundreds of speeches and three debates and interviews and the whole process, where you keep basically saying the same thing over and over again, that—when you win, there is a feeling that the people have spoken and embraced your point of view. And that's what I intend to tell the Congress, that I made it clear what I intend to do as the President, now let's work to—and the people made it clear what they wanted—now let's work together.

And it's one of the wonderful—it's like earning capital. You asked, do I feel free. Let me put it to you this way: I earned capital in the campaign, political capital, and now I intend to spend it. It is my style. That's what happened in the—after the 2000 election, I earned some capital. I've earned capital in this election, and I'm going to spend it for what I told the people I'd spend it on, which is—you've heard the agenda: Social Security and tax reform, moving this economy forward, education, fighting and winning the war on terror. We have an obligation in this country to continue to work with nations to help alleve poverty and disease. We will continue to press forward on the HIV/AIDS initiative, the Millennium Challenge Account. We will continue to do our duty to help feed the hungry. And I'm looking forward to it. I really am.

It's been a fantastic experience campaigning the country. You've seen it from one perspective. I've seen it from another. I saw you standing there at the last, final rally in Texas, to my right over there. I was observing you observe, and you saw the energy. And there was just something uplifting about people showing up at 11 o'clock at night, expressing their support and their prayers and their

friendship. It's a marvelous experience to campaign across the country.

Mike [Mike Allen, Washington Post].

The Cabinet

Q. Mr. President—thank you, Mr. President. Do you plan to reshape your Cabinet for the second term, or will any changes come at the instigation of individuals? And as part of the same question, may I ask you what you've learned about Cabinet government, what works, what doesn't work? And do you mind also addressing the same question about the White House staff? [*Laughter*]

The President. The post-election euphoria did not last very long here at the press conference. [*Laughter*]

Let me talk about the people that have worked with me. I had a Cabinet meeting today, and I thanked them for their service to the country and reminded them we've got a job to do and I expected them to do the job.

I have made no decisions on my Cabinet and/or White House staff. I am mindful that working in the White House is really—is exhausting work. The people who you try to get to leak to you spend hours away from their families, and it is—there is—the word "burnout" is oftentimes used in the—in Washington, and it's used for a reason, because people do burn out. And so obviously, in terms of those who are—who want to stay on and who I want to stay on, I've got to make sure that it's right for their families and that they're comfortable, because when they come to work here in the White House, I expect them to work as hard as they possibly can on behalf of the American people.

In the Cabinet, there will be some changes. I don't know who they will be. It's inevitable there will be changes. That happens in every administration. To a person, I am proud of the work they have done. And I fully understand we're about to head into the period of intense speculation as to who's going to stay and who's not going to stay, and I assured them that—today I warned them of the speculative period. It's a great Washington sport to be talking about who's going to leave and who their replacements may be and handicapping, you know, my way of thinking.

I'll just give you—but let me just help you out with the speculation right now. I haven't thought about it. I'm going to start thinking about it. I'm going to Camp David this afternoon with Laura, and I'll begin the process of thinking about the Cabinet and the White House staff. And we'll let you know at the appropriate time when decisions have been made. And so, nice try, Mike.

Yes, Ed [Ed Chen, Los Angeles Times], and then——

Q. What you learned——

The President. Learned and not learned about the Cabinet?

Q. What works, what doesn't.

The President. Yes, well, first I've learned that I put together a really good Cabinet. I'm very proud of the people that have served this Government, and they, to a man and a woman, worked their hearts out for the American people. And I've learned that you've got to continue to surround yourself with good people. This is a job that requires crisp decisionmaking, and therefore, in order for me to make decisions, I've got to have people who bring their point of view into the Oval Office and are willing to say it.

I always jest to people, the Oval Office is the kind of place where people stand outside—they're getting ready to come in and tell me what for, and they walk in and get overwhelmed in the atmosphere, and they say, "Man, you're looking pretty." And therefore, you need people to walk in on those days when you're not looking so good and saying, "You're not looking so good, Mr. President." And I've got—those are the kind of people that served our country.

We've had vigorous debates, which you all, during the last 4 years, took great delight in reporting, differences of opinion. But that's what you want if you're the Commander in Chief and a decisionmaker. You want people to walk in and say, "I don't agree with this," or "I do agree with that, and here's what my recommendation is." But the President also has to learn to decide. You take—you know, there's ample time for the debate to take place and then decide and make up your mind and lead. That's what the job's all about.

And so I have learned how important it is to be—to have a really fine group of people

that think through issues and that are not intimidated by the process and who walk in and tell me what's on their mind.

Ed, and then Stevenson [Richard Stevenson, New York Times].

Small-Business Agenda

Q. Good morning. Sir, does it bother you that there's a perception out there that your administration has been one that favors big business and the wealthy individuals? And what can you do to overcome that, sir?

The President. Ed, 70 percent of the new jobs in America are created by small businesses. I understand that. And I have promoted during the course of the last 4 years one of the most aggressive pro-entrepreneur, small-business policies. Tax relief—you might remember—I don't know if you know this or not, but 90 percent of the businesses are sole proprietorships or Subchapter S corporations. [*Laughter*]

Q. We've heard it.

The President. Tax relief helped them. This is an administration that fully understands that the job creators are the entrepreneurs. And so in a new term, we will make sure the tax relief continues to be robust for our small businesses. We'll push legal reform and regulatory reform because I understand the engine of growth is through the small-business sector.

Stevenson.

Model for Bipartisanship

Q. Sir, given your commitment to reaching out across party lines and to all Americans, I wonder if you could expand on your definition of bipartisanship and whether it means simply picking off a few Democrats on a case-by-case basis to pass the bills you want to pass or whether you would commit to working regularly with the Democratic leadership on solutions that can win broad support across party lines?

The President. Do you remember the No Child Left Behind Act? I think that's the model I'd look at if I were you. It is a—I laid out an agenda for reforming our public schools. I worked with both Republicans and Democrats to get that bill passed. In a new term, we'll continue to make sure we do not weaken the accountability standards that are making a huge difference in people's lives, in these kids' lives. But that's the model I'd look at, if I were you.

And we'll—there's a certain practicality to life here in Washington. And that is, when you get a bill moving, it is important to get the votes, and if politics starts to get in the way of getting good legislation through, you know, that's just part of life here. But I'm also focused on results. I think of the Medicare bill. You might remember that old, stale debate. We finally got a bill moving. I was hoping that we'd get strong bipartisan support. Unfortunately, it was an election year, but we got the votes necessary to get the bill passed. And so we will—I will—my goal is to work on the ideal and to reach out and to continue to work and find common ground on issues.

On the other hand, I've been wisened to the ways of Washington. I watched what can happen during certain parts of the cycle, where politics gets in the way of good policy. And at that point in time, I'll continue to—you know, I'll try to get this done. I'll try to get our bills passed in a way, because results really do matter, as far as I'm concerned. I really didn't come here to hold the office just to say, "Gosh, it was fun to serve." I came here to get some things done, and we are doing it.

Yes, Big Stretch [Bill Sammon, Washington Times].

Yasser Arafat

Q. Thank you, Mr. President. I know you haven't had a chance to learn this, but it appears that Yasser Arafat has passed away.

The President. Really?

Q. And I was just wondering if I could get your initial reaction? And also your thoughts on, perhaps, working with a new generation of Palestinian leadership?

The President. I appreciate that. My first reaction is, God bless his soul. And my second reaction is, is that we will continue to work for a free Palestinian state that's at peace with Israel.

Yes.

Legislative Agenda

Q. Mr. President, as you look at your second-term domestic priorities, I wonder if you

could talk a little bit about how you see the sequence of action on issues beyond Social Security—tax reform, education. And if you could expand a little bit for us on the principles that you want to underpin your tax reform proposal—do you want it to be revenue neutral? What kinds of things do you want to accomplish through that process?

The President. I appreciate that. I was anticipating this question, that, what is the first thing you're going to do? When it comes it legislation, it just doesn't work that way, particularly when you've laid out a comprehensive agenda. And part of that comprehensive agenda is tax simplification.

The—first of all, a principle would be revenue neutral. If I'm going to—if there was a need to raise taxes, I'd say, "Let's have a tax bill that raises taxes," as opposed to, "Let's simplify the Tax Code and sneak a tax increase on the people." It's just not my style. I don't believe we need to raise taxes. I've said that to the American people, and so the simplification would be the goal.

Now, secondly, that—obviously, that it rewards risk and doesn't—it doesn't have unnecessary penalties in it. But the main thing is that it would be viewed as fair, that it would be a fair system, that it wouldn't be complicated, that there's a kind of—that loopholes wouldn't be there for special interests, that the code itself be viewed and deemed as a very fair way to encourage people to invest and save and achieve certain fiscal objectives in our country as well.

One of the interesting debates will be, of course, in the course of simplification, will there be incentives in the code—charitable giving, of course, and mortgage deductions are very important. As Governor of Texas, when I—sometime I think I was asked about simplification, I always noted how important it was for certain incentives to be built into the Tax Code, and that will be an interesting part of the debate.

Certain issues come quicker than others in the course of a legislative session, and that depends upon whether or not those issues have been debated. I think of, for example, of the legal issue—the legal reform issues. They have been—medical liability reform had been debated and got thwarted a couple of times in one body in particular on Capitol Hill. And so the groundwork has been laid for some legislation that I've been talking about. On an issue like tax reform it's going to—tax simplification—it's going to take a lot of legwork to get something ready for a legislative package. I fully understand that. And Social Security reform will require some additional legwork, although the Moynihan Commission has laid the groundwork for what I think is a very good place to start the debate.

The education issue is one that could move pretty quickly because there has been a lot of discussion about education. It's an issue that the Members are used to debating and discussing. And so I think—all issues are important. And the timing of issues as they reach it through committee and floor really depend upon whether or not some work has already been on those issues.

A couple more questions. Bob [Bob Deans, Cox Newspapers].

Fallujah/Freedom in Iraq

Q. Mr. President, American forces are gearing up for what appears to be a major offensive in Fallujah over the next several days. I'm wondering if you could tell us what the objective is, what the stakes are there for the United States, for the Iraqi people, and the Iraqi elections coming up in January?

The President. In order for Iraq to be a free country, those who are trying to stop the elections and stop a free society from emerging must be defeated. And so Prime Minister Allawi and his Government, which fully understands that, are working with our generals on the ground to do just that. We will work closely with the Government. It's their Government. It's their country. We're there at their invitation. And—but I think there's a recognition that some of these people have to—must be defeated, and so that's what they're thinking about. That's what you're—that's why you're hearing discussions about potential action in Fallujah.

Heidi [Heidi Pryzbyla, Bloomberg].

Federal Deficit

Q. Thank you, sir. Many within your own party are unhappy over the deficit, and they say keeping down discretional spending

alone won't help you reach your goal of halving the deficit in 5 years. What else do you plan to do to cut costs?

The President. Well, I would suggest they look at our budget that we've submitted to Congress, which does, in fact, get the deficit down—cut in half in 5 years and is a specific, line-by-line budget that we are required to submit and have done so.

The key to making sure that the deficit is reduced is for there to be, on the one hand, spending discipline, and I—as you noticed in my opening remarks, I talked about these appropriations bills that are beginning to move. And I thought I was pretty clear about the need for those bills to be fiscally responsible, and I meant it. And I look forward to talking to the leadership about making sure that the budget agreements we had are still the budget agreements, that just because we had an election, that they shouldn't feel comfortable changing our agreement. And I think they understand that.

Secondly, the other way to make sure that the deficit is—decreases is to grow the economy. As the economy grows, there will be more revenues coming into the Treasury. That's what you have seen recently. If you notice, there's been some write-downs of the budget deficit. In other words, the deficit is less than we thought because the revenues is exceeding projections. And the reason why the revenues is—the revenues are exceeding projections—"Sometimes I mangle the English language. I get that"——[*laughter*].

Q. Inside joke.

The President. Yes, very inside. [*Laughter*]

The revenues are exceeding projections, and as a result, the projected deficit is less. But my point there is, is that with good economic policy that encourages economic growth, the revenue streams begin to increase. And as the revenue streams increase, coupled with fiscal discipline, you'll see the deficit shrinking. And we're focused on that.

I do believe there ought to be budgetary reform in Washington, on the Hill, Capitol Hill. I think it's very important. I would like to see the President have a line-item veto again, one that passed constitutional muster. I think it would help the executive branch work with the legislative branch to make sure that we're able to maintain budget discipline.

I've talked to a lot of Members of Congress who are wondering whether or not we'll have the will to confront entitlements, to make sure that there is entitlement reform that helps us maintain fiscal discipline. And the answer is yes. That's why I took on the Social Security issue. I believe we have a duty to do so. I want to make sure that the Medicare reforms that we've put in place remain robust, to help us make sure Medicare is available for generations to come.

And so there is a—I've got quite an active agenda to help work with Congress to bring not only fiscal discipline, but to make sure that our progrowth policies are still in place.

Herman [Ken Herman, Austin American-Statesman]. I'm probably going to regret this. [*Laughter*]

Q. I don't know if you had a chance to check, but I can report you did eke out a victory in Texas the other day.

The President. Thank you, sir.

Bipartisanship

Q. Congratulations. I'm interested in getting back to Stevenson's question about unity. Clearly, you believe you have reached out and will continue to reach out. Do you believe the Democrats have made a sincere and sufficient effort to meet you somewhere halfway, and do you think now there's more reason for them to do that in light of the election results?

The President. I think that Democrats agree that we have an obligation to serve our country. I believe there will be good will, now that this election is over, to work together. I found that to be the case when I first arrived here in Washington, and working with the Democrats and fellow Republicans, we got a lot done. And it is with that spirit that I go into this coming session, and I will meet with both Republican and Democrat leaders, and I am—they'll see I'm genuine about working toward some of these important issues.

It's going to be—it's not easy. These—I readily concede I've laid out some very difficult issues for people to deal with. Reforming the Social Security system for generations to come is a difficult issue; otherwise, it

would have already been done. But it is necessary to confront it. And I would hope to be able to work with Democrats to get this done. I'm not sure we can get it done without Democrat participation, because it is a big issue, and I will explain to them and I will show them Senator Moynihan's thinking as a way to begin the process. And I will remind everybody here that we have a duty to leave behind a better America and when we see a problem, to deal with it. And I think the—I think Democrats agree with that.

And so I'm optimistic. You covered me when I was the Governor of Texas. I told you that I was going to do that as a Governor. There was probably skepticism in your beady eyes there. [*Laughter*] But you might remember, we did—we were able to accomplish a lot by—and Washington is different from Austin, no question about it. Washington—one of the disappointments of being here in Washington is how bitter this town can become and how divisive. I'm not blaming one party or the other. It's just the reality of Washington, DC, sometimes exacerbated by you because it's great sport. It's really—it's entertaining for some. It also makes it difficult to govern at times.

But nevertheless, my commitment is there. I fully—am now more seasoned to Washington. I've cut my political eyeteeth, at least the ones I've recently grown here in Washington. And so I'm aware of what can happen in this town. But nevertheless, having said that, I am fully prepared to work with both Republican and Democrat leadership to advance an agenda that I think makes a big difference for the country.

Listen, thank you all. I look forward to working with you. I've got a question for you. How many of you are going to be here for a second term? Please raise your hand. [*Laughter*] Good. Gosh, we're going to have a lot of fun, then. Thank you all.

NOTE: The President's news conference began at 11:17 a.m. in Room 450 of the Dwight D. Eisenhower Executive Office Building. In his remarks, he referred to Prime Minister Tony Blair of the United Kingdom; and Prime Minister Ayad Allawi of the Iraqi Interim Government. As regards journalist Bill Sammon's question asking for the President's reaction to the death of Chairman Yasser Arafat of the Palestinian Authority, the reports of Chairman Arafat's death were inaccurate.

Statement on the Death of Shaykh Zayid bin Sultan Al Nahayyan of the United Arab Emirates

November 4, 2004

The United States mourns the passing of a great friend of our country, Shaykh Zayid bin Sultan Al Nahayyan of the United Arab Emirates. Shaykh Zayid was the founder and President of the UAE for more than 30 years, a pioneer, an elder statesman, and a close ally. He and his fellow rulers of the seven Emirates built their federation into a prosperous, tolerant, and well-governed state. I offer my condolences and those of the American people to the family of Shaykh Zayid and to the Government and people of the United Arab Emirates on their great loss.

Statement Congratulating President Hamid Karzai on His Election as President of Afghanistan

November 4, 2004

I congratulate President Karzai on his election victory. I commend the millions of Afghan men and women who voted in the first democratic election in their Nation's history. Through this simple act of voting, the Afghan people declared to the world their determination to move beyond a brutal legacy of oppression, terror, and fear to a future of hope, democracy, and freedom. The large turnout by Afghan women, who made up 40 percent of all voters, confirms that there is a vital role for women in the politics of a nation proud of its Islamic heritage. The election also makes clear that a free Afghanistan is a partner in the war on terror, a beacon of hope in a troubled region of the world, and an example to other countries working to realize the promise of freedom.