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we're allies in laying the foundation of lasting peace. In the struggle in the war on terror, Pakistan and America has lost many good citizens. And we ask for God's blessings on their families. Pakistan's efforts to enhance peace and security have earned the respect and the admiration of the American people. When the terrorists are defeated and when the peace is won, our two nations will share the peace together.

The American people care deeply about the people of Pakistan. We watched with horror and great sorrow as last year's earthquake devastated this ancient land. Americans have experienced the trauma of natural disasters in our own country, and we've witnessed the power of friendship to rebuild lives and to restore hope. I'm proud of the U.S. relief efforts. I want to thank those officials who are here to help the people of Pakistan.

I'm pleased that our helicopters earned the name "angels of mercy" from those who were anxious for help in the mountains. I'm proud that our Government and businesses and private organizations and individual families also saw your need and gave their time and treasures to help rebuild this vital nation. Our donations reflect the compassion of our country, the respect we have for Pakistan. And we will make good on our donations, Mr. President.

America and Pakistan have confronted great challenges together, and we will continue to do so. Americans will support the Pakistani people as they take further steps toward democracy, expand educational opportunities for boys and girls, and create prosperity through innovation and global trade. Pakistan has a bright future because of its proud people and because of the hard work of a strong leader. President Musharraf, you've proved yourself to be a man of courage and vision. I appreciate the honor of being your partner in working for peace and security.

And so, Mr. President, with gratitude for what we've accomplished and with optimism for what we will yet accomplish, I offer my respect to you, to your gracious wife, and to the people of Pakistan.

NOTE: The President spoke at 8:10 p.m. at the Aiwan-e-Sadr. In his remarks, he referred to Sehba Musharraf, wife of President Musharraf. The transcript released by the Office of the Press Secretary also included the remarks of President Musharraf.

Remarks at a Swearing-In Ceremony for Edward P. Lazear as Chairman of the Council of Economic Advisers

March 6, 2006

The President. Welcome. I'm here to swear in Ed Lazear as the Chairman of the Council of Economic Advisers. Thank you all for coming. Eddie has brought a lot of his family here. For the family members who are here, welcome; thanks for supporting the old boy. [*Laughter*] I particularly want to thank Vicki and Julie, as well as his mother, Rose, for being here. I'm really glad you all are here. Does he still listen to you, Rose? [*Laughter*]

Mrs. Lazear. Oh, yes. He's a good boy.

The President. That's a good boy. Well, I hope my mother is saying the same thing about me. [*Laughter*]

Eddie is an award-winning economist from Stanford University. He's been a part of the Hoover Institute. He's taught and lectured in Asia and the Middle East and Europe. He's advised governments in the former Soviet Union and Eastern Europe on economic reform. He's conducted path-breaking research in the field of labor economics. He's applied his theories to real-world problems like education and immigration and compensation and productivity. He's well-rounded, and he's plenty smart.

He also understands how to get his message across. After all, he was voted teacher of the year at Stanford's Graduate School of Business. That's not an easy accomplishment. He's a founding editor of the Journal of Labor Economics. He's a good man, who has served with distinction before in Government. He served on my Advisory Panel on Federal Tax Reform. And he's going to be an outstanding Chairman of my Council of Economic Advisers.

He succeeds another outstanding economist who still bears the title of Chairman, and that's Ben Bernanke. He just wears his title over at another place here in Washington. Eddie and Ben are part of a long line

of talented economists who have served my administration as CEA Chairman, including Harvey Rosen, Greg Mankiw, and Glenn Hubbard. I want to thank Eddie for agreeing to serve our country. I appreciate his understanding of the important role he will play in my administration.

I appreciate those who are here from my administration. I see Carlos Gutierrez, the Secretary of Commerce. Carlos, welcome. Josh Bolten, a member of the Cabinet, the Office of Management and Budget. Senator Bob Bennett, thank you for coming, Senator. I really appreciate you taking time to be here. Congressman Jim Ryun and Anne are with us as well. Eddie told me he's a runner. Don't run with Ryun, Eddie.

Eddie leads my Council of Economic Advisers at an exciting time. It's a time of opportunity and a time of challenge. Today, the American economy is the envy of the world. Last year our economy grew at a healthy 3.5 percent, faster than any other major industrialized nation. We've added more than 4.7 million new jobs during the last 2½ years. That's more than Japan and the European Union combined. Our unemployment rate is down to 4.7 percent. That's the lowest level since July of 2001. That's lower than the average of the 1970s, the 1980s, and the 1990s. More Americans now own their homes than at any time in our history. More minority families own homes than any time in our Nation's history. This administration believes in ownership. We love the fact that somebody opens the door to their own piece of property, says, "Welcome to my piece of my property; welcome to my home."

Real after-tax income is up more than 8 percent per person since the beginning of 2001. New orders for durable goods, like machinery, have risen sharply. We've had 33 straight months of growth in our manufacturing sector. Productivity has grown strongly over the last 5 years. Our small-business sector is thriving. America is productive; America is innovative; America is entrepreneurial. And I'm counting on Eddie's good advice to keep it that way.

We understand it's important to continue to promote progrowth economic policies and sound initiatives with one goal in mind, to keep America the economic leader in the world so our people can find jobs and realize their dreams.

Our economy grows when Americans have more of their own money to spend, save, and invest. In the last 5 years, we passed tax relief that left $880 billion in the hands of American workers and small businesses and families. And the American people have used that money to help produce more than 4 years of uninterrupted economic growth.

The tax relief that we passed is set to expire in the next few years. If we do nothing, American families will face a massive tax increase they do not expect and will not welcome. Because America needs more than a temporary expansion, we need more than temporary tax relief. So in my State of the Union, I called upon the United States Congress to make the tax relief we passed permanent.

I also outlined several other steps to keep this economy strong and growing. We need to address our dependence on foreign sources of oil. You might remember I stood up in front of the country and said, "We have a real problem; we're addicted to oil." I meant what I said. I call upon Congress to join with this administration to pass the Advanced Energy Initiative that will fund research in cleaner, more reliable technologies like hydrogen and ethanol, so we become less dependent. For the sake of our national security and economic security, we must not be dependent on foreign sources of oil.

We need to ensure that Americans get the health care they need. And so we're working to make health coverage more affordable and available and portable through measures like health savings accounts and association health plans.

To maintain our edge in innovation and creativity, I proposed the American Competitiveness Initiative, to promote cutting-edge research and to ensure that American children get math and science skills they need for the jobs of the 21st century.

One of the most important steps we need to take to keep this economy strong is to restrain Federal spending in Washington. That's hard to do. Everybody thinks their spending idea is a great idea. They all—all these spending ideas sound wonderful on paper. Here's our view: It's important for the

Congress to set priorities. We are a nation at war, and one of the top priorities of this Government will continue to be to make sure our troops have the equipment they need to defend the United States and our citizens have what it takes to defend the homeland.

That means we must be careful about how we spend the taxpayers' money in other areas. In other words, we can't be all things to all people when it comes to spending the taxpayers' money. And we're making some good progress. Last year of the previous administration, nonsecurity discretionary spending rose by 15 percent. Every year of my Presidency, we've reduced the growth of this spending, and last year, at my request, Congress passed legislation that actually cut this spending. I thank them for their hard work.

Now I look forward to working on my—having them work on my 2007 budget that Josh Bolten is taking up to the Congress. This budget will save the taxpayers money, will cut—will continue to cut nonsecurity discretionary spending, and keep us on track to cut the deficit in half by 2009.

In the long run, the biggest challenge to our Nation's fiscal health is entitlement spending. I recently signed a bill to save nearly $40 billion over 5 years in entitlement spending. The 2000 [2006] * budget we submitted proposes to save another $65 billion over 5 years. We don't need to cut this mandatory spending; we need to slow its growth. In other words, we don't need to put our cars into reverse; we just need to slow it to meet the speed limit.

As well, I'm deadly earnest in calling members of both parties together to work to pass—to propose something we can pass out of Congress that will modernize Social Security and Medicare. It's time for Congress to set aside needless partisan politics and focus on the future of our country with real, substantive entitlement reform.

We also need to do more to reform the way Washington spends people's money. Under the current system, Congress can slip spending provisions into large bills where they never get debated and never get discussed. Those are called earmarks. As a result, too many bills passed by Congress include unnecessary spending. These earmarks reflect special interests instead of the people's interest. I'm pleased that Congress is working on earmark reform, and I encourage Members of Congress to pass meaningful and real earmark reform.

Here's another idea for them: They need to give the President the line-item veto. Congress gave the President a line-item veto in 1996, but because with problems the way the law was written, the Supreme Court struck it down. That should not be the end of the story. So in my State of the Union, I called for new legislation creating a line-item veto that will meet Supreme Court standards. Today I'm sending Congress legislation that will meet standards and give me the authority to strip special interest spending and earmarks out of a bill and then send them back to Congress for an up-or-down vote. By passing this version of the line-item veto, the administration will work with the Congress to reduce wasteful spending, reduce the budget deficit, and ensure that taxpayer dollars are spent wisely.

Congress is on record, by the way, that the President should have the line-item veto authority. It has been approved previously. Forty-three Governors have this line-item veto in their States. Now it's time to bring this important tool for fiscal discipline to Washington, DC.

I'm really optimistic about the future of this country. I don't think there's any problem we can't tackle. It's really important as we put progrowth policies in place, to understand that the engine of growth is the ingenuity of the American people. I like to remind people: Government doesn't create wealth. Government creates an environment in which the entrepreneurial spirit can flourish, in which people can realize their dreams, in which small businesses can grow to be big businesses, in which the newly arrived can have a chance to realize the great promise of our country.

Eddie understands that, and that's why I'm proud to have him by my side. And again, Eddie, thank you for agreeing to serve our great Nation. And now Andy Card will administer the oath of office.

* White House correction.

NOTE: The President spoke at 10 a.m. in Room 450 of the Dwight D. Eisenhower Executive Office Building. In his remarks, he referred to Victoria Lazear, wife of Edward P. Lazear, and their daughter, Julie; Ben S. Bernanke, Chairman, Federal Reserve System; and Anne Ryun, wife of Representative Jim Ryun. The transcript released by the Office of the Press Secretary also included the remarks of Chairman Lazear.

Statement on Representative William M. Thomas' Decision Not To Seek Reelection

March 6, 2006

Congressman Bill Thomas is a friend and a man of great accomplishment who has been a very effective leader in the House of Representatives. As chairman of the House Ways and Means Committee, he helped pass legislation that has brought about strong job creation and economic growth, improved health care for people of all ages, and ensured that America continues to benefit from free and fair trade. For the last 28 years, he has worked tirelessly for the people of the Bakersfield area in California and represented them with honor and distinction. I appreciate Bill's commitment and dedication to public service, and I look forward to working with him for the remainder of the session. I wish Sharon, Bill, and the entire Thomas family all the best in the future.

Message to the Congress Transmitting a Legislative Proposal To Give the President a Line-Item Veto

March 6, 2006

To the Congress of the United States:

In my State of the Union Address, I asked the Congress to give the President a line item veto. Today, I am sending the Congress a legislative proposal to give the President line item authority to reduce wasteful spending. This legislation will help to limit spending and ensure accountability and transparency in the expenditure of taxpayer funds.

Although the Congress achieved significant spending restraint this past year, appropriations and other bills that are sent to my desk still contain spending that is not fully justified, is a low priority, or is earmarked to avoid the discipline of competitive or merit-based reviews. When this legislation is presented to me, I now have no ability to line out unnecessary spending. In 1996, the Congress gave the President a line item veto—an important tool to limit wasteful spending—but the Supreme Court struck down that version of the law in 1998.

My proposed legislation, the "Legislative Line Item Veto Act of 2006," would provide a fast-track procedure to require the Congress to vote up-or-down on rescissions proposed by the President. There has been broad bipartisan support for similar proposals in the past. Under this proposal, the President could propose legislation to rescind wasteful spending, and the Congress would be obligated to vote quickly on that package of rescissions, without amendment. The same procedure would apply to new mandatory spending and to special interest tax breaks given to small numbers of individuals.

Forty-three Governors have a line item veto to reduce spending. The President needs similar authority to help control unjustified and wasteful spending in the Federal budget. I urge you to promptly consider and send me this legislation for enactment to reduce unnecessary spending and help achieve my goal of cutting the deficit in half by 2009.

George W. Bush

The White House,
March 6, 2006.

Remarks at a Celebration of Women's History Month and International Women's Day

March 7, 2006

Thank you all. Thank you, Laura. Welcome to the White House. We like to call this the people's house. I want to remind people from around the world that we're only temporary occupants here, but we're trying to make the most of our time here.

I want to welcome you all as we celebrate Women's History Month and International