

our obligations to Social Security, Medicare, health care, education, defense, and other priorities.

The plan I submit will fund our highest national priorities. Education gets the biggest percentage increase of any Department in our Federal Government. We won't just spend more money on schools and education; we will spend it responsibly. We'll give States more freedom to decide what works. And as we give more to our schools, we're going to expect more in return by requiring States and local jurisdictions to test every year. How else can we know whether schools are teaching and children are learning?

Social Security and Medicare will get every dollar they need to meet their commitments. And every dollar of Social Security and Medicare tax revenue will be reserved for Social Security and Medicare.

My budget blueprint will restrain spending, yet meet growing needs with a reasonable 4 percent growth rate, which is a little more than inflation. After paying the bills, my plan reduces the national debt, and fast—so fast, in fact, that economists worry that we're going to run out of debt to retire. That would be a good worry to have.

Finally, along with funding our priorities and paying down debt, my plan returns about one out of every four dollars of the

surplus to the American taxpayers, who created the surplus in the first place. A surplus in tax revenue, after all, means that taxpayers have been overcharged. And usually when you've been overcharged, you expect to get something back.

Tax relief means real help for both American families and the American economy. Everybody who pays income taxes will receive a tax cut. Nobody will be targeted in, and nobody will be targeted out. The typical family will get about \$1,600 in tax relief, and that's real money. And that's money that will help American families manage their own accounts, manage your own balance sheets.

My address to Congress comes on Tuesday night at 9 o'clock eastern time. I hope you'll tune in and consider what I have to say. I hope you'll agree that my plan is good for you and for your family. But even more, I hope you'll agree it's good for America.

Thank you for listening.

NOTE: The address was recorded at 9:30 a.m. on February 23 in the Cabinet Room at the White House for broadcast at 10:06 a.m. on February 24. The transcript was made available by the Office of the Press Secretary on February 23 but was embargoed for release until the broadcast.

## Remarks at the National Governors' Association Conference *February 26, 2001*

It's good to see you all again. I hope everybody had as fun a time last night as Laura and I did. It was—I really enjoyed it, and thanks for coming.

When the history of this administration is written, it will be said the Nation's Governors had a faithful friend in the White House. I've sat where you're sitting, and I know what it's like to have a good idea and then to wait on the Federal Govern-

ment to tell you whether you can try it or not.

So let me make this pledge to you all: I'm going to make respect for federalism a priority in this administration. Respect for federalism begins with an understanding of its philosophy. The Framers of the Constitution did not believe in an all-knowing, all-powerful Federal Government. They believed that our freedom is best preserved

when power is dispersed. That is why they limited and enumerated the Federal Government's powers and reserved the remaining functions of government to the States.

And today I'm announcing a new federalism initiative. I will sign a directive creating an Interagency Working Group on Federalism. The Working Group will seek your opinions on the issues that Governors and other leaders in local and State government believe should be addressed. The Group will look for ways to speed up waivers and to streamline rigid rules and regulations. And it will be charged with drafting a new Executive order on federalism, which will require the departments and agencies to respect the rights of our States and territories.

We look forward to a close relationship. You've got strong advocates in my administration, starting with four former Governors, Ashcroft, Thompson, Whitman, and Bush. [Laughter] We'll also have an Intergovernmental Affairs Office run by Ruben Barrales of California, who will be responsive to your needs and your requests.

We've just lived through a decade of the most exciting, important things done by government have been done by Governors. In 7 years, you've reduced welfare rolls by more than half, improved millions of the lives of your fellow citizens by helping them find work. You brought new meaning to crime prevention programs. You pioneered education reforms, and many of you have shown how tax relief can reenergize State economies.

In Michigan and Massachusetts, New Jersey and New York, for example, tax relief pumped adrenalin into troubled economies. I saw the same thing happen in Texas

when I proposed, fought for, and signed meaningful tax relief.

More than half the States have reduced taxes in each and every one of the past 3 years. Governors deserve more credit than you get when it comes to the prosperity of our country. The surging growth we've seen in States that have reduced taxes gives an answer to the people who say we cannot afford tax cuts. You've shown we can't afford not to cut taxes.

I look forward to this discussion today to discuss how best to devolve authority back to the States. Real change comes from the bottom up, not the top down. The genius of the American system has been to let that change flow upward, from neighborhoods to cities to States and then to the Federal Government. We need to keep that path open, to give Government a human face and bring decisionmaking closer to the people. I am going to rely upon my friends, the Governors.

I look forward to being in constant contact with you. You see, you bring common sense to the political debate. You're dedicated servants. You respect the will of the people. Our country is better off for your service.

Governor Glendening.

NOTE: The President spoke at 10:55 a.m. in the East Room at the White House. In his remarks, he referred to Gov. Parris N. Glendening of Maryland, chair, National Governors' Association (NGA). The transcript released by the Office of the Press Secretary also included the remarks of Governor Glendening and Gov. John Engler of Michigan, vice chair, NGA.