

attention on. I take it very seriously, because—and I believe strongly that we’re going to be able to keep the peace. It’s a noble mission for all of us involved with the military.

Thank you.

NOTE: The President spoke at 12:16 p.m. at the center, where he was welcomed by S. Sgt. Amy R. Justice, USAF, 325th Medical Group. In his remarks, he referred to Brig. Gen. William F. Hodgkins, USAF, commander, 325th Fighter Wing; and Gov. Jeb Bush of Florida. A tape was not available for verification of the content of these remarks.

Remarks to the Rotary Club and Chamber of Commerce in Panama City, Florida

March 12, 2001

The President. Thank you all. Sit down, Governor. [*Laughter*] Well, I’m glad I came. Thank you for the invitation.

Audience members. We’re glad to have you. [*Laughter*]

The President. It’s one of these responsive meetings. [*Laughter*] Governor—what a good man he is. The key to our success is pretty simple: We listen to our mother. And she is still telling us what to do. I’m listening about half the time.

I appreciate the two United States Congressmen who are here. Joe, thank you very much, and Allen, thank you very much, as well. I’m honored to have you both here. I’ve had some good visits with both of the Members. Sometimes we agree; sometimes we don’t agree. But the thing about these two men is that we’re going to agree to be respectful to each other. And that’s what this country wants.

I want to thank the members of the Rotary. I want to thank the members of the chamber. I want to thank the economic development folks who gave me an opportunity to come and talk about what’s on my mind. Walking in, the man from the Rotary said, “Our slogan is: Create awareness and take action.” And that’s exactly why I’m here. I want to create awareness about a commonsense budget and ask you to take action to help me get it passed.

It’s good to see the leaders of the Florida Legislature, members elected to the state-wide—on the ticket here in Florida. I want to thank you all for coming. I know there’s a lot of local officials here. I always believe the government closest to the people is that which governs best. So I appreciate you all being here.

It was my honor to go to Tyndall today, to see the good folks who wear the uniform of the United States military, to tell them how much I appreciate their service to the country. I’m reminded today of how dangerous service can be. We lost some servicemen today in Kuwait on a training accident. I hope you’ll join me in a moment of silence for those soldiers and their families.

[*A moment of silence was observed.*]

The President. God bless.

I’m here to talk about a budget. And there’s a lot of talk in Washington about budgets, but here’s what I believe. I believe the people who can best affect the budget are the people who pay the bills in the first place, the taxpayers of America.

Sometimes it seems like we tend to talk to ourselves in Washington. And that’s why I like to travel around the country, talking to the people who have got most at stake in the budget negotiations that go on in the Nation’s Capital.

First, let me tell you that good budgeting means setting priorities. And part of my travels around the country is to explain where I think our priorities are.

It is a priority to make sure we pay the men and women who wear our uniform good wages. It's a priority in my budget to do so. It's a priority to make sure they're housed well. But it's also a priority to make sure if we spend money, that we spend it wisely.

That's why I've asked the Secretary of Defense to do a bottom-to-top review about missions and spending and research and development dollars, to come up with a strategic vision of our military, not only today but what the military ought to look like tomorrow, to make sure that money is wisely spent when we spend your money on the military. You see, I think we have a fantastic opportunity not only to keep the peace today but to redefine the terms of war, to use our new technologies to redefine how the battlefields are configured, so we have a better chance of keeping the peace.

So we'll set priorities. The first priority is the people who wear the uniform. The second priority is to make sure long-term objectives are clearly set and, as we spend money, to make sure we meet those objectives. But there's one priority of the Commander in Chief that requires no money, and that's to make it clear the mission of the military—to make clear the mission of those who wear our uniform, and it is this: to be well trained, to be ready to fight and win war and, therefore, prevent war from happening in the first place.

A second priority has been education. Now, we've increased the budget at the Federal level, but Governor, don't be too nervous. I remember where I come from. I believe in local control of schools. I strongly believe we ought to pass power.

I know the secretary of education is here. It's good to see you, Charlie. The reason I mention Charlie is, I believe that the people who care more about the education

of the children who live in the Panhandle of Florida than anybody else are the citizens of this part of the State. I know the Governor understands that. I know Charlie understands that. And the people in Washington have got to understand that. And that's why I look forward to working with Congress to pass power out of Washington, to provide as much flexibility with Federal money at the local level as needed, so that you all chart the path to excellence, so you figure out whether or not children are learning and, if not, make sure they do.

The temptation in Washington is to say, one-size-fits-all will work. But we know better than that. One size doesn't fit all when it comes to the education of our children. There needs to be local control of schools. There needs to be strong accountability measures. And when we find failure, we've got to free parents to make different choices for their children.

Social Security is a priority. I know there is a lot of talk, and there was during the campaign. I suspect there may be some, and for people who are trying to keep your money in Washington, they'll say, "Well, you can't have meaningful tax relief; otherwise, the Social Security system will fail." You read these polls. They're saying, you know, "Do you want to take away somebody's Social Security check, or do you want to have tax relief?" But that's not the choice. That's not the choice that we have here, as we work on this budget, because we set aside every dime of payroll taxes for one thing, and that is to spend it on Social Security. All this business about threatening people's Social Security checks is just not real, and it's not valid. The Congress and the White House agree that all the payroll taxes ought to be spent on only one thing, and that's the Social Security systems.

There's a lot of talk about health care, and there should be. The budget I submitted to Congress doubles the Medicare budget, for example. The budget I submitted to Congress increases by 2 times

the amount of people who will be taken care of in community health centers. Now, we focus on health, and there is money in the budget to do so.

And so we've set priorities. Education is a priority. Keeping the peace is a priority. The health care of our citizens is a priority. Retirement accounts are a priority. And there is still money left over.

But the difference between this administration and what happens in the past is that we grow discretionary spending by 4 percent. And I said, "Well, that seems like a reasonable number." But that's not what happened last time around. Last time, as the Congress was trying to get out of town, they had a bidding contest, and the discretionary spending increased by 8 percent. That's a huge amount of money. The baselines of the budget were that much higher, and we're adding on top of that.

And yet there are some saying, "He doesn't want to meet basic needs." What we need in Washington is fiscal discipline; we need priorities. We need to set priorities and fund it, so our budget increases by 4 percent.

And by the way, just so you understand the accounting talk there in the Nation's Capital, the definition of a budget cut is when numbers don't increase to expected levels. So like, for example, if the baseline is one and the expected level is one and a half and I propose 1.4, that's called a spending cut. It's the darnedest accounting system I've ever seen. *[Laughter]* That's why I'm trying to bring some common sense into the budgeting of your money.

In the budget I submitted to the Congress, we pay down debt by \$2 trillion. Over the next 10 years, we will reduce the amount of debt at the Federal level by \$2 trillion. But let me also remind you all, as we talk about numbers, remember there is a lot of debt around our society. There is debt at the Federal level, and we do a good job of paying down a lot. But there is also consumer debt, credit card debt, debt that burdens the working people.

So as we talk about budgets, I just want you all to also keep in mind the budgets of the families who live in your neighborhood, budgets of people struggling to get ahead. You bet we're going to pay down debt at the national level. But we need to be mindful of the debt that burdens those who are struggling to get ahead and struggling to get into the middle class, as well.

Then I set aside a trillion dollars for contingencies. That can mean money to help our farmers. And one of the things you'll find out about my administration is, I respect and understand the importance of American agriculture, not only for our domestic consumption but for international trade purposes as well. Farming is a very important part of our vision for the future.

And after setting priorities and growing the budget at what I believe is a reasonable rate of 4 percent and setting aside the payroll taxes, paying down debt, and putting aside a trillion over 10 years for contingencies, there is still money left over. And that's the fundamental debate.

There's a lady in—there's a lady in Iowa, western Iowa, a grandmother who stood up at an event I had, and she said, "I've seen a lot of children and grandchildren go through my house. And every time I leave a plate of cookies on the table, they eat it." And that's how I view surpluses. That's what I'm afraid is going to happen if we don't have fiscal discipline and are willing to say that the surplus is the people's money. It's not the Government's money; it's the people's money. And that's the important thing for the Members of Congress and the Senate to keep in mind. It's not the Government's money; it's your money to begin with.

And oh, there are some priorities that need to be kept, and we're keeping them. But there's another priority, as far as I'm concerned, and that is, how best to help American families to help themselves, how best to help people access the middle class. And there's another important priority, and

that is, let people have money as quickly as possible, that otherwise would go to Government, to provide a second wind to an economy that's slowing down.

One of the things that concerns me about tax relief is what they call targeted tax relief. That means Federal officials get to decide who's targeted in and who's targeted out. To me, that's not good public policy. I don't think we ought to try to pick winners and losers in Washington, DC. I think everybody's a winner in America, and I think if you pay taxes, you ought to get tax relief. And so I submitted a plan that reduces all rates, on everybody who pays taxes. We simplified the code.

This Tax Code of ours is unfair. It is unfair to people who are struggling to get ahead. Incredibly enough, if somebody has—a single mom, for example, raising two children, if she earns more money above \$22,000, she pays a higher marginal rate on every additional dollar she earns than somebody who is successful. And she loses her earned-income tax credit, goes into the 15 percent bracket for the first time, and pays payroll taxes. She's paying nearly 50 percent on every dollar. This is somebody struggling to get ahead, somebody who's working the toughest job in America, by the way, and that's raising children on her own. And yet, the Tax Code we have makes it unfair.

And so we've reduced the bottom rate from 15 percent to 10 percent and increased the child credit from \$500 to \$1,000, to make it easier for that person to realize her dreams. The message is: The harder you work, the more money you have in your pocket in America; the harder you work, the easier it is to get ahead, and not the other way around.

But we also drop the top rate from 39.6 to 33 percent. And I know that's created a lot of howling in Washington, but I think you can help remind people over whom you've got some influence that the whole notion of dropping the top rate is to stimulate growth in the small-business sector of

America. There are hundreds of small-business owners who are unincorporated, who are sole proprietors, who may be organized along Subchapter S lines, that pay that high marginal rate. And by dropping the rate, we're sending a clear message to America: The role of Government is not to create wealth; the role of Government is to create an environment in which a small-business owner can flourish, in which the entrepreneur can realize their dream.

The small-business owner is a job creator. The small-business owner also represents the best of America, which says, "If you dream big and work hard, you can own your own business." And by the way, when it comes time to pass that business on to your heir, we need to get rid of the death tax to make sure you can do so.

The House moved out our cut on marginal rates. I look forward to working with them on the rest of the package, including doing something about the marriage penalty and the—we send the wrong signal. Our Tax Code ought to encourage marriage. We ought to encourage families. We ought not to penalize people who said "I do" at the altar.

So there is a lot of work to be done, and I am here to ask for your help. Instead of sending people your check, why don't you send them your check and send them an e-mail while you're at it. Why don't you let your Senators know that you think tax relief is not only good for the economy, but you think tax relief is good for working families here in the State of Florida.

And let me talk about two such people, Darrell Calhoun and Andrea Calhoun. They're here with their children. Raise your hand, Darrell. Darrell is a small-business owner. He owns a fence company. Today, in America, he pays \$1,200 in Federal income taxes. When this plan is fully enacted, he will pay zero in Federal income taxes. He and Andrea are raising Garrett and Madison.

Oh, I know some will say, “Well, \$1,200 isn’t all that much.” It’s a lot to them. It’s a lot to people who are paying high energy bills today in America. It’s a lot to people who struggle with their own personal debt. I think it makes sense to set priorities. I think it makes sense to pay down debt at the national level. I think it makes sense to make sure the retirement systems work.

But I think instead of spending on bigger Government, I think we ought to trust people with their own money. I’d rather have these good people spend the \$1,200 than the people in Washington, DC. And that’s the fundamental debate that’s taking place, and I’m glad we’re discussing it. It’s really what democracy is about. It would be better if they did everything the President said. [*Laughter*] Sometimes it doesn’t work that way. But they darn sure better listen to the people. And the people can have a large say as to whether or not we want fiscally responsible Government in Washington, DC, or whether we’re going to continue those spending orgies that spend your money on bigger and bigger and bigger baselines of budgets.

It’s time to have fiscal sanity in our Nation’s Capital, and it’s time to remember who pays the bills. It’s the working people of America who pay the bills. It’s so important, for those of us who hold the high honor of representing you, to trust the people. After all, that’s the strength of America, the people. But the great strength of the country is not our governments. The great strength of the country are the people, the people who will help to make this country the—fulfill its promise for everyone who’s lucky to live here.

I say that because the common acts of decency and courtesy that take place neighborhood to neighborhood are really part of the strength of America. The fact that there are moms and dads who become Boy Scouts, Girl Scouts, Boys and Girls Club leaders, that take a child around the shoul-

ders and say, “Somebody loves you,” and, “Somebody cares,” that’s the strength of America. The fact that there are little centers of love that exist because somebody says, “What can I do to help? What can I do to live that common call to love a neighbor like I’d like to be loved myself,” now, that’s the strength of America. The great strength of our country lie in the hearts and souls of the American citizens.

My job is to lift the spirit of the country. I’ll argue on your behalf, and I’m going to argue until I get a bill to sign. It’s out of the House. Come on out of the Senate, and I’ll sign it. And I’ll argue on your behalf. We’ll have our agreements, and we’ll have our disagreements, but my pledge is to have those agreements and disagreements in a respectful way.

But there’s more to the job than just arguing on your behalf when it comes to fiscal sanity in Washington. The job really is to lift the spirit of the country; to call upon the best; to remind the moms and dads, your most important job is to love your children with all your heart and all your soul; to call upon the compassion of America. And by doing so, we, as a nation, can unite, and we, as a nation, can hold out that great beacon of hope. We want it to be for every person who lives in our country.

What an honor it is to represent you all, and what an honor it is to be the President of the greatest country on the face of the Earth. Write your Senators; let your Congressmen know.

And God bless. Thank you all.

NOTE: The President spoke at 1:38 p.m. at the Marina Civic Center. In his remarks, he referred to Gov. Jeb Bush of Florida; Representatives Joe Scarborough and Allen Boyd; and Charlie Crist, commissioner, Florida Department of Education.