

Remarks Following a Meeting With the Economic Team and an Exchange  
With Reporters  
January 10, 2002

*Pension Reform*

*The President.* Thank you all for coming. I met with my economic security team last week to talk about ways to create jobs. We're meeting again with the components of the team to talk about one part of economic security, and that's pension security.

One of the things we're deeply concerned about is that there have been a wave of bankruptcies that have caused many workers to lose their pensions, and that's deeply troubling to me. And so I've asked the Secretary of Treasury, Secretary of Labor, and Secretary of Commerce to convene a working group to analyze pensions, rules and regulations, to look into the effects of the current law on hard-working Americans, and to come up with recommendations how to reform the system to make sure that people are not exposed to losing their life savings as a result of a bankruptcy, for example.

As well, Secretary of Treasury, along with the SEC, the Fed, and the CFTC, are going to convene a working group to analyze corporate disclosure rules and regulations. In light of the most recent bankruptcy, Enron, there needs to be a full review of disclosure rules to make sure that the American stockholder or any stockholder is protected.

And so, I think this is an important part of, obviously, other investigations that are ongoing. The Justice Department announced and informed us late yesterday that they're in the process of investigating aspects of the Enron bankruptcy. The administration is deeply concerned about its effects on the economy. We're also deeply concerned about its effects on the lives of our citizenry.

I'll be glad to answer a few questions.

*Enron Corporation*

*Q.* When was the last time you talked to either Mr. Lay or any other Enron official about the—about anything? And did discussions involve the financial problems of the company?

*The President.* I have never discussed with Mr. Lay the financial problems of the company. The last time that I saw Mr. Lay was at my mother's fundraising event to—for literacy, in Houston. That would have been last spring. I do know that Mr. Lay came to the White House in—early in my administration along with, I think, 20 other business leaders to discuss the state of the economy. It was just kind of a general discussion. I have not met with him personally.

*Q.* [*Inaudible*]*—to inoculate and your administration politically from the fallout?*

*The President.* Well, first of all, Ken Lay is a supporter. And I got to know Ken Lay when he was the head of the—what they call the Governor's Business Council in Texas. He was a supporter of Ann Richards in my run in 1994. And she had named him the head of the Governor's Business Council, and I decided to leave him in place, just for the sake of continuity. And that's when I first got to know Ken and worked with Ken, and he supported my candidacy.

This is—what anybody's going to find, if—is that this administration will fully investigate issues such as the Enron bankruptcy to make sure we can learn from the past and make sure that workers are protected.

*Iran and Afghanistan*

*Q.* Mr. President, does it appear that Iran is flexing its muscles in western Afghanistan, and does that threaten the U.S. war on terrorism in that region?

*The President.* Well, first of all, Iran must be a contributor in the war against terror; that our Nation and our fight against terror will uphold the doctrine, "Either you're with us, or against us," and any nation that thwarts our ability to rout terror out where it exists will be held to account, one way or the other.

I hope—we had some positive signals early—early in this war from the Iranians. We would hope that they would continue to be a positive force in helping us bring people to justice. We would hope, for example, they wouldn't allow Al Qaida murderers to hide in their country. We would hope that if that be the case, if someone tries to flee into Iran, that they would hand them over to us, that they're a part of—if they're a part of the coalition, then they need to be an active part of the coalition.

In terms of Afghanistan, we are—we would like to work with the Iranians, as well as other neighboring countries, to bring a stable interim government—to stabilize the interim government. And to the extent that they're involved, we would hope that they would participate. If they are trying—if they in any way, shape, or form try to destabilize the government, the coalition will be—we'll deal with them, in diplomatic ways initially. And we would like very much for them to be active participants in a stable Afghanistan. It's to their advantage, by the way, that Afghanistan be stable.

#### *Middle East Arms Shipment*

*Q.* Mr. President, based on the evidence the Israeli delegation presented at the State Department yesterday, about this arms shipment, do you believe that it's time for the United States to either break or suspend relations with Mr. Arafat and the Palestinian Authority?

*The President.* John [John King, Cable News Network], I think it's very important for our administration to remain engaged with both parties. Obviously, I want to make sure that the evidence is definitive. But I'm, like many, beginning to suspect

that those arms were headed in the wrong—to promote terror. And terror will never enable us to achieve peace in the Middle East. So long as there's terrorists trying to disrupt the peace process, there won't be peace.

I do believe that once the evidence is in, that those responsible need to be held to account. On the other hand, I also believe that our country must stay engaged in the process. I intend to ask Zinni to go back to the region at the appropriate time, to keep pushing for a dialog, to keep pushing for the process to go forward.

Mr. Arafat must renounce terror, must reject those who would disrupt the peace process through terror, and must work hard to get to the peace table. It seems like it's up to him to make these decisions.

*Q.* But has he been less than truthful in speaking to Secretary Powell, General Zinni, and others, in saying he had nothing to do with this and no knowledge of it?

*The President.* We will find out the facts, John. But he is—you asked a question, should we basically disengage? And the answer is no, we won't disengage from the Middle East. We will stay involved in the Middle East peace process—or trying to get to the peace process. And it starts with making the region more secure. Mr. Arafat must renounce terror and must reject those in the region that would disrupt the peace process by the use of terrorist means.

#### *Pension Reform*

*Q.* What can you do about pensioners—what can you do about pensioners now? Isn't that horse already out of the barn at Enron?

*The President.* Our group is meeting, and they will bring recommendations here. They'll look at—fully investigate what went on. My concern, of course, is for the shareholders of Enron. But my—I have great concern for the stories—for those I read about in the stories who put their life savings aside and for whatever reason, based upon some rule or regulation, got trapped

in this awful bankruptcy and have lost life savings. And one of the things this group is going to do is take a good, hard look at it.

Thank you all.

NOTE: The President spoke at 9:42 a.m. in the Oval Office at the White House. In his

remarks, he referred to Kenneth L. Lay, chairman and chief executive officer, Enron Corp.; former Gov. Ann Richards of Texas; U.S. Special Envoy to the Middle East Gen. Anthony Zinni, USMC (Ret.); and Chairman Yasser Arafat of the Palestinian Authority. A tape was not available for verification of the content of these remarks.

Remarks on Signing the Department of Defense and Emergency Supplemental Appropriations for Recovery from and Response to Terrorist Attacks on the United States Act, 2002, in Arlington, Virginia  
January 10, 2002

*The President.* Thank you very much. At ease. [Laughter] I always love being introduced by a matinee television idol. [Laughter] Who would have thought it? [Laughter]

*Secretary Donald Rumsfeld.* Not my wife.

*The President.* Only his mother. [Laughter] Thanks so much, Mr. Secretary. He's doing a fabulous job.

*Secretary Rumsfeld.* Thank you.

*The President.* He really is. And so are the men and women who work in this building, and the men and women who wear the uniform. We're really proud of you.

I'm honored to sign this bill because the Nation owes the men and women of the military our full measure of respect and our full measure of support. We owe you decent pay and a decent quality of life. We owe you the best leadership and training. We owe you the best equipment and weaponry. We owe you, our service men and women, our best, because we owe you our freedom.

This bill, which includes both this year's defense appropriations and emergency supplemental spending, keeps the commitment to our military and keeps the commitments of our country. It was passed with bipartisan support in the Congress. It will be implemented by this fine Secretary, and a fine Deputy Secretary in Paul Wolfowitz.

As Commander in Chief, I'm really proud to sign this bill here in the Pentagon. It shows that at an hour when freedom is under attack, America is steady and standing tall in freedom's defense. I too want to thank the Members of the United States Congress who are here, particularly Chairman Bill Young. Thank you, Mr. Chairman, for coming. Senator Dorgan, I appreciate you being here, sir. Rodney, thank you for coming, and Jim and George. I guess you're supposed to be formal with the Senate and informal with the House. But thank you all for taking time to be here. It's a kind gesture for you to come.

I also want to thank the members of the Joint Chiefs and the leadership of our military who are on the stage with me here. Dick Myers is doing a fabulous job. He is steady; he is strong. He sends such an important signal throughout our military that we mean business, we're a no-nonsense group of people who have got one thing in mind, and that is victory.

I remember talking about our plans with the Secretary and others in my administration. And as we set our plans, there was no question that our military was ready. The Secretary made that clear; Dick Myers made that clear; Hugh Shelton made that clear. And since September the 11th, the skill, the daring, and the courage of our