

a prosperous and compassionate and decent country.

Thank you all for coming. God bless you all.

NOTE: The President spoke at 12:05 p.m. in Jones Concert Hall at Baylor University. In his remarks, he referred to Robert Sloan, president, Baylor University; Maria de Lourdes Sobrino, founder and owner, Lulu's Desserts; Phyllis Hill Slater, president, Hill Slater, Inc.; Douglas J. McCarron, general

president, United Brotherhood of Carpenters and Joiners of America; Curtis McGuire, owner and chief executive officer, Redleg's Lumper Service, Inc.; Franklin D. Raines, chairman and chief executive officer, Fannie Mae; Health and Human Services Secretary Tommy G. Thompson; and Janet Baker, superintendent, Hamilton City Schools, Hamilton, OH. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

Remarks at the University of Wisconsin-Milwaukee in Milwaukee, Wisconsin

August 14, 2002

Well, thank you all very much for that warm welcome. It's great to be back here in Wisconsin, the land of reform, a State which has challenged other States to achieve excellence for every citizen. I appreciate the Governor's introduction. I appreciate his friendship. I so very much appreciate you all coming today to give me a chance to share with you some of the challenges our Nation faces and why I'm optimistic that we can achieve and defeat those challenges.

There's no better place to come—a State to talk about a can-do spirit than Wisconsin. There's no better place to come and explain to my fellow citizens how deeply committed I am and our country is to winning the war on terror. This is a good place to come to explain to our fellow citizens that we will do whatever it takes to protect the homeland and that we will do whatever it takes to make sure our economy remains strong and vibrant, all throughout the United States of America.

I want to thank Nancy, the chancellor of this fine university, for hosting me and the small entourage the President travels with. [*Laughter*] I appreciate very much, Nancy, your staff working hard to set up

this room for this discussion. Thank everybody on our behalf, please. I also appreciate your commitment to education. I love the idea of a school in which people come to get educated and stay in the State in which they're educated. It is a positive sign that this university is fulfilling its important function, which is to train Wisconsin youngsters for the future and then have the Wisconsin youngsters stay here to make sure that future is bright for all citizens. I congratulate you for your leadership. I appreciate so very much your focus on no child being left behind.

I appreciate so very much the Metropolitan Milwaukee Association of Commerce for hosting this event. I want to thank the local officials who have come—State officials and local officials. I particularly want to pay homage to Scott Walker.

Yesterday I spent some quality time with the latest inductee into the Sturgis Motorcycle Museum's Hall of Fame. That would be your Tommy Thompson. You need to know he's doing a fantastic job. He's got a tough job, and he's doing a great job on behalf of citizens all across our country.

Finally, I had the honor of welcoming a soldier in the army of compassion today

at Air Force One. Her name is Lucille Woods. Lucille, would you mind standing up, please? I want you to meet Lucille because she's an example of what needs to happen in America if you're interested in our society being a compassionate society. See, Government can hand out money, but what Government cannot do is put love into people's hearts or a sense of purpose in people's lives. If you're interested in having an America that is a decent and compassionate place, you've got to love a neighbor just like you'd like to be loved yourself. That is what Lucille Woods does. She is a foster grandparent—she is a foster grandparent who works with second graders to make sure that they learn to read. No child will be left behind in her vision of America. Lucille volunteers her time in her church to help those in need. Our society is going to change, one heart, one soul at a time, because of silent heroes like Lucille Woods. And thank you for coming today, Lucille.

Now, I was mentioning, we have some serious challenges facing our Nation. And my most important job, I think, is to make sure that I protect—do everything I can to protect the homeland and make sure that an enemy which hates freedom doesn't hit us again. They're out there. They can't stand the thought of America being a hospitable society to many cultures. They can't stand the thought of a society which worships an almighty God in different ways, a society which is tolerant to different approaches to religion. They really hate the thought of us being a society in which we are able to speak our mind, a society which values the individual worth of each person. And so, so long as we uphold those values, which we will do, they're going to try to strike us.

But you need to know, your Government at the Federal level and governments at the State and local level are doing everything we can to protect the American people. There's a lot of really fine people who are running down every hint and every lead

and every opportunity to disrupt what may or may not be fixing to happen.

When we get back to Washington after what they call the August break, I look forward to working with the United States Congress to do everything we can to effect an organizational change which would then allow me to say more certainly to the American people, we're effective at protecting the homeland.

There was—there is over 100 agencies involved with homeland defense. These agencies do different things other than homeland defense, but part of their function is to protect the homeland. The Coast Guard is a good example. The Coast Guard protects our shores from smugglers, and they, you know, they're watching out for the fishermen; they rescue boats in distress. But they also have got a function of protecting the homeland. And so the fundamental question, when you think about the fact there's 100 agencies scattered around, is, what can we best do to align authority and responsibility? How best can we have the primary function of these 100 agencies be to protect the homeland? In other words, how do we change priority and culture? My suggestion was, is that we create a single Department, the responsibility of which is to protect the American people, with a Cabinet officer confirmed by the Congress. And we're making progress on this idea. By the way, this isn't a Republican idea, and this isn't a Democrat idea. This an American idea to protect the American people. And so we're making progress.

We're making progress, but the Senate now needs to take up the idea. And the concern is, is that they will be more concerned about their own political turf and jurisdictional turf than they will be the larger concept of protecting the American people. They'll be more concerned about special interests and less concerned about how to adequately protect America. So I look forward to working with the Senate. But I can assure you, I will insist that the new Department be able to put the right person

in the right place at the right time to be able to protect the American people, that we will reject any plan which has got a thick book of bureaucratic rules all aimed at protecting special interests.

And it's important that we be able to have the right person at the right place at the right time. It's important to be able to do so to protect our borders. We need to know who's coming in and what they're bringing into America and whether or not they're leaving when they're supposed to be leaving America. And that means that the INS and the Border Patrol and the Customs all ought to be working in concert, under the same authority, developing the same culture. And that's going to require flexibility to get everybody thinking the same way. There's a lot of entrenched interests in Washington. And we're going to need all the tools necessary to make sure those entrenched interests hit in the right—run in the same direction, and that is to fulfill the top priority of our Government, which is to protect our homeland.

But the best way to protect the homeland, the best way to secure freedom for this country is to chase the killers down, one person at a time, and bring them to justice, which is what the United States is going to do. I say that because I want the world to be at peace, but I know the nature of the enemy. They—we can't talk them out of their ideas. We can't hold their hands and hope they change their attitude. We must bring them to justice. This country doesn't seek revenge. We seek justice. And the farther we get away from the attacks of America, the more likely it is some Americans will forget the danger—but not me, nor will the United States military.

For those of you who have got loved ones in the U.S. military, I want to tell you how proud I am, how confident I am of their abilities, and how proud you should be of their service to our great country.

I have submitted a significant increase in defense appropriations for two reasons: Anytime we put our military in harm's way,

they deserve the best training, the best pay, the best possible equipment; and secondly, I want to send a message to our friends and our enemies that the United States of America is determined and patient and relentless in our quest for freedom. Now, the Congress has passed—the House passed one version. The Senate passed another version. They need to get together quickly, when they get back in September, and get a defense appropriations bill on my desk first thing. It's important for our planning purposes; it's important for our war on terror that they not play politics with the defense appropriations bills.

And we're making some progress. We really are. What's hard for some to understand about this new war of the 21st century is that these are people being treated like international criminals, and so it's like we're on a manhunt. And the United States is working closely with our friends, and we have hauled in over a couple of thousand of these folks. They've been arrested and detained. Some of them are in our possession. Others are with other countries. Some of the terrorists haven't been quite as lucky as those who have been detained and arrested. But we're slowly but surely making progress, and we're enforcing the doctrine that says, "Either you're with us, or you're with the enemy, and if you harbor a terrorist, if you feed one, you're just as guilty as those who killed thousands of Americans on September the 11th."

I believe by being relentless and steady, not only will we make America more free, that the future generations of American citizens will be able to grow up in a free society, but by being relentless and steady and principled and determined, we can achieve peace. And that's my hope, is for the world to be peaceful; that we can achieve peace in parts of the world that have—where some folks have just given up on the thought of peace, perhaps the Middle East or South Asia. For those of you with youngsters who are trying to explain what you're seeing or hearing on TV about

this war on terror, please tell them that when we go into a country, we go in not as conquerors but as liberators, because we believe in freedom for all citizens who live in the world. We love our own freedoms, and at the same time, by being strong and resolved and determined, we can achieve peace—peace for generations to come.

And the third big challenge is to enhance and to work on the economic security of the American people. We'll work on the homeland security and the economic security. Yesterday I had a forum in Baylor University, in central Texas—quite a sacrifice for people to come down there, to central Texas, middle of Texas in the middle of August. But they were determined to share with me and people in my administration ideas and thoughts and concerns. I could have had the meeting right here and had the same input from citizens here in the great city of Milwaukee. We had union members and union leaders. We had grandmothers. We had entrepreneurs, small-business people, farmers, ranchers, people from all walks of life. And they talked about the challenges our economy faces. I mean, after all, for the first three quarters when I was the President, we were in recession. And then that September the 11th hit, and that hurt our economy. And then some of these liars showed up. Some of the scandals started to surface. They'd been in the making for a while, but they began to bubble up, and that shook the confidence of our country. And we discussed—we discussed that yesterday.

But we all came—at least, I came to the conclusion, having listened to a lot of our fellow Americans, that the strength of the American people and the fundamental strength of our economy far outweighs the challenges we face. And let me give you some examples. We're the most productive people in the world. Our farmers and ranchers and working people are incredibly productive. Interest rates are low. Inflation is low. Wages are rising. Taxes are lower. Consumer spending is still strong. I came

away from the meeting confident about our economic future, but not content with the progress we're making. And I want to discuss with you some of the things I think we can do.

First, you've got to understand that behind the statistics—at least the way I view it is, behind the statistics is somebody's life. So the way I put it is, if somebody wants a job and can't find a job, we've got a problem. So long as anybody is looking for work who can't find work, we need to do something about it.

Now, there are some things we can do in Washington to help the economy grow. One thing we need to do is to restrain excessive spending. We need fiscal responsibility. Excessive spending will serve as a drag on economic growth. Right now, we've got some deficits because of the recession and because we're funding the war on terror. But by restraining excessive spending, we can have our budget back in balance. But it's going to require Congress to show some discipline. And that's hard. Every constituency has got an issue. Every program sounds wonderful.

I tried to help yesterday. Congress sent an emergency spending bill to my desk, and that was good. It's called a supplemental. It's money for the war on terror; it's money to defend the homeland; it's money to help rebuild New York City. But interestingly enough, they put 5 billion additional dollars in there, about \$5 billion that I didn't think was an emergency. And part of the language in the supplemental said, "Either you spend all 5 billion of the extra money, or you spend none of it." In other words, I didn't have any flexibility. I didn't get to pick and choose. They said "all or none." I heard their position. Yesterday they heard mine: We're spending none of the 5 billion.

This decision should serve as an example that I am serious when it comes to protecting taxpayers' money and to being fiscally sound with your money, to set priorities and make sure they fund the priorities

but don't overspend. Somebody said, "What are you talking about?" In part of the 5 billion, to show you one of the egregious examples, was, they wanted a new building for worms and bugs that the United States had collected. That's not an emergency. [Laughter] If somebody thinks it's that important, they can put it in next year's appropriations bill. As a matter of fact, one of the things we'll do is, we'll take some of the good ideas that were a part of the 5 billion and work immediately to get them in the '03 budgets. And by the way, the '03 funding starts soon.

Two examples: One, a pressing need—one of the pressing needs was AIDS prevention programs. I'm a supporter of doing everything we can here at home and internationally for fighting AIDS. And there's money in there for the Middle East, for Israel and Palestine, and that money is necessary. But there's time to get it in the '03 budget, and we'll get it spent. But I am not—I am not going to allow Congress to pressure me to spend money that I don't think is needed. For the good of the economy, we must show fiscal restraint.

And for the good of the economy, we fortunately reduced the taxes on the people who pay taxes here in America. Tax relief was timely, and it's going to—history will show it was necessary to help fight this recession that we inherited.

One of the things I heard yesterday, and I suspect you would hear from the small-business owners in this crowd, is that by reducing taxes, it helps small businesses grow. Seventy percent of the new jobs in America are created by our small-business entrepreneurs. Small business is the backbone of an economic recovery. And therefore, by cutting taxes, we helped small businesses. I've heard the rhetoric about who supposedly we're helping or not helping. The reality is, most small businesses pay personal income taxes. Most small businesses are not incorporated. They're sole proprietorships. They're limited partnerships. They pay personal income taxes. And

when you drop the personal tax rate, you're helping small businesses. The more money a small business has, the more likely it is that small business is going to be able to grow and employ another citizen from Wisconsin.

We slashed the marriage penalty. I believe the Tax Code ought to encourage marriage, not discourage marriage.

And we put the death tax on the road to extinction. We heard yesterday from people from all walks of life talk about how terrible the death tax is. These are small-business owners, many of whom have just come to America for the first time. They're building up their asset base. They want to be able to leave their assets to whoever they want to leave them to, without that asset getting taxed twice. The death tax is bad for Wisconsin farmers. The death tax is bad for Wisconsin's small-business owners. The death tax needs to go, forever, as far as I'm concerned. But because of a quirk in the Senate rules, the tax relief plan that is being phased in will end in 10 years, or 9 years from now. And that's not right. People need to be able to plan. People need not be—have certainty in the Tax Code. And so therefore, for the good of economic growth, for the good of job creation, the United States Congress must make the tax relief plan that we passed permanent.

Congress needs to act on terrorism insurance. People say, "What is that?" Well, there are eight—there's \$8 billion worth of money that has been put aside—\$8 billion worth of construction projects that are not going forward in America because of the high cost of terrorism insurance. When the enemy hit us, they changed the whole concept of risk. Our belief is, the Federal Government ought to help pay for terrorism insurance. I think it's a useful use of taxpayers' money to provide a certainty, a security for terrorism insurance. If you're worried about jobs like I am, if you want your hardhats working, we've got to get terrorism insurance passed so these large

commercial projects go forward. We want people working in America, and the United States Congress can provide a means necessary to get these construction workers back to work.

We need an energy plan in America. We need to conserve more energy. We need to work on renewables. We need to explore more at home in an environmentally friendly way, so we're not reliant upon foreign sources of crude oil.

I got trade authority. I'm going to use trade authority for the good of the economy. I made the argument to Congress that good trade means good jobs. Listen, if you're good at something, you want to encourage. If you're good at something, you want to open up markets for the product you create. Listen, we've got the best entrepreneurs in the world here in America. We've got the best farmers in the world here. We've got the best cheese in the world here in America. And we ought to be selling our products all around the world. It's important for our fellow Americans to understand, trade means higher paying jobs.

I also look forward to working with Congress on pension reforms. A lot of people own stock and bonds, and that's positive. We want people to own things in America. We want people to say—balance sheet to be more than just potential income; we want it to be assets. And yet there are those who are involved in pension funds that are locked into funds. They can't diversify. There needs to be a law on the books that says that after you own your company's stock for a while, you ought to be able to sell it and diversify your portfolio. You ought to not have all your eggs in one basket. And I'm proud of the law I just signed which says, if the CEO gets to sell his stock, so does the working person, the person working for that CEO.

And speaking about CEOs, like you, I have been disappointed in the performance of some of America's chief executive officers. They let us down. They didn't uphold

their responsibility as a leader should. They fudged the books. They didn't tell the truth. And now they're going to pay the price. It's no longer easy money for these folks; it's hard time. I want to thank the members of both political parties for signing the most comprehensive corporate reform since Franklin Roosevelt was the President. I appreciated working with leaders in both parties to get this done. We're going to send a very strong signal to people. We expect there to be transparency. We're going to make sure that the numbers are real. We've got a lot of first-time stockholders who don't appreciate being told one thing is happening, but reality was another. The SEC is stronger. We've got more enforcement officers. We've got laws on the books now that are going to increase the penalties for lying and cheating to the American people. I've got a Corporate Fraud Task Force that's active and aggressive. Obviously, they'll stick to the law, but when we find somebody who has defrauded the American people, they're going to pay a price.

You know, I was telling some folks yesterday, I was disappointed to hear that in business schools, they're afraid to teach right from wrong. They don't want to take the position of right from wrong for future MBAs. And in my speech I gave to New York City about the reforms necessary to help clean up corporate America, I talked about the need for business schools to teach right from wrong. And professors came up to me when I was on my way out of the room—he said, "Thanks for saying that." Big old fellow, a working man, came up and said, "If you really want to teach them right from wrong, Mr. President, if you want to send a message about ethics and business in America, slap some handcuffs on one or two of them and put them on TV; that's the best lesson you can leave with corporate America if they're going to lie, cheat, or steal."

Today chief executive officers of major corporate America are putting their names

on the line to certify that the numbers on their balance sheets are real. And that's positive. By far the vast majority of those who run corporate America are good, honorable people. You've got some great companies here in the State of Wisconsin. I think of Harley Davidson, for example, a company which has got not only a great product but a company which treats its employees with the utmost of respect and dignity and has done pretty well by the shareholder as well. We've got all kinds of companies like that, run by decent people, and we're not going to let the few ruin the reputations of the many. We're going to hold people to account here in America.

One of the things I learned at our sessions yesterday and I suspect would learn here today, that even though folks are optimistic about the future, there has been—a little shaken in their confidence. People are concerned, and I can understand that. But one of the things that rang true yesterday to me, and does every time I make a stop here in America, is that we should never lack confidence in our character, in the character of the American people. This is a fabulous country. These are hard-working, decent, honorable people who can overcome any challenge. This is a great country, and when we put our mind to something, we'll be successful.

And we've got our mind on some big goals here in America. We've got our mind on bringing freedom and peace to the world. Our mind is on protecting the homeland, and our thoughts and concerns are with those who are struggling economically. But we'll achieve economic security here in America. Our entrepreneurial spirit is strong. The fundamentals are great. We're regaining confidence in the leadership of corporate America. But most of all, the American people are determined to succeed.

You know, I have said to our citizens a lot of times that out of the evil done to America on September the 11th is going to come incredible good. Out of the evil

done to our Nation is going to come some good, the likes of which we never really would have dreamed. And part of the good that's going to come is the fact that our culture is changing, that a lot of Americans understand that it's patriotic to help a neighbor in need. People say, "What can you do to fight the war on terror?" You know what you can do? You can do some good. It's the collective acts of goodness and decency which define America, which show the world the true face of our nobility and our strength and our culture.

Flight 93 was a poignant moment for me and, I suspect, for you as well. These are people flying across the country. They heard the plane was going to be used as a weapon. They were on their cell phones to their loved ones. They told them they loved them. They said a prayer. One guy said, "Let's roll." They took the plane in the ground to serve something greater than themselves in life.

It's those acts of courage, those quiet acts of compassion which really are changing America, one person at a time. There is a new culture in this country. We're ushering in a period of personal responsibility. People are responsible for the decisions they make in life, responsible for loving your children with all your heart and all your soul, responsible for helping a neighbor in need, responsible for making sure the Milwaukee school system is the best in the country so nobody—no child is left behind. No, there is a new responsibility in America.

I don't know what went through the minds of the enemy when they attacked us. They must have thought they were attacking a nation that was so shallow, so materialistic, so selfish that all we would do was maybe file a lawsuit. But what they've learned is, they attacked a nation that is strong and courageous and decent, a nation in which thousands of our fellow citizens understand that by serving something greater than yourself in life, you serve

the greatest nation on the face of the Earth.

Thank you for coming. May God bless.

NOTE: The President spoke at 10:25 a.m. in the Klotsche Center at the University of Wis-

consin-Milwaukee. In his remarks, he referred to Gov. Scott McCallum of Wisconsin; Nancy L. Zimpher, chancellor, University of Wisconsin-Milwaukee; and Scott Walker, county executive, Milwaukee County, WI.

Remarks at a Luncheon for Governor Scott McCallum of Wisconsin in Milwaukee

August 14, 2002

Thank you very much. And you know what I think? I think the voters of Wisconsin are going to say yes to Scott McCallum as the Governor. I am here to help this good man because I believe in him. And I believe he's going to win. And I want to thank you all for helping him. I want to thank you for being here today. I especially want to thank you for what you're fixing to do, which is to man the phones, go to the coffee shops, and turn out the vote. You've got a good one in Scott, a good, honest, decent, honorable man who is willing to make tough decisions. And you need to send him back to the statehouse for 4 more years.

And I appreciate so very much the first lady of the State of Wisconsin, Laurie. It is good to see her again, and their children. I want to thank those boys and the girl for supporting their dad in his run for the Governor's race.

I bring greetings from the First Lady of the United States. She is actually campaigning today in Texas for a friend of ours who is running for the United States Senate in Texas. You drew the short straw. [*Laughter*] But she is doing great. I don't know if you remember the story about Laura and me, but when I married her, she was a public school librarian. And the truth of the matter is, she didn't particularly care about politics or politicians. And now here she is, the First Lady of the United States. And she's doing a fabulous job. I'm really

proud of her. We're working out of Crawford this month. It's a nice temperature differential. [*Laughter*] But she sends her regards and sends all her best to Scott and Laurie and the family during this really important quest to be your Governor.

I want to thank very much the Lieutenant Governor, Margaret Farrow, for being here as well. I find it very interesting that Governor Farrow is breaking the glass ceiling. She is the first female Lieutenant Governor in Wisconsin history.

I want to thank leaders of the statehouse who are here, Mary Panzer and Scott Jensen, who is the speaker of the house. Thank you both for coming. I want to thank other members of the legislature who are here. It is in your interest that this good man win.

I want to thank Scott Walker. I call him "cousin." After all, I'm George Walker Bush. [*Laughter*] At least I call him "cousin" so long as he's doing a good job. [*Laughter*] And they tell me he's doing a fine job. Scott, thank you for taking on a very important assignment as the Milwaukee county executive. And we wish you all the best.

I had the privilege of meeting the next attorney general of the State of Wisconsin, Vince Biskupic, and I want to thank Vince for being here as well.

I want to thank Rick Graber, who is the chairman of the Republican Party, a fellow I've gotten to know quite well and trust