

for the old and the sick so that the old and the sick don't have to beg for money.

I've seen the wonders of Catholic love on the Gulf Coast. I'm struck by the Catholic educators that, in the face of unprecedented disaster, worked night and day to provide good and stable schools for the children and provide comfort for, you know, people that were just wondering whether or not there was going to be a good tomorrow.

I've seen wonders on the Sea of Galilee during my recent trip to the Middle East. On a recent visit, my guides were joyful Catholic nuns who preserve the holy sites for all mankind, even as they struggle with the dangers to the region's Christian minority.

I've seen the wonders in Africa, in an emergency—in a hospital supported by PEPFAR. In February, I saw a 9-year-old girl who is HIV-positive who had lost both her parents to AIDS. And for the last year, Catholic Relief Services had been playing—had been paying for the girl to receive treatment at the clinic. I want to tell you what her grandmother said: "As a Muslim, I never imagined that a Catholic group would help me like that." She went on to say, "I am so grateful to the American people." And I am grateful for those who

provide love and compassion in America and around the world.

This is a prayer breakfast, and this is a perfect place for me to say how much I appreciate the prayers of the people for me and Laura. I can't thank our fellow citizens enough for taking time out of their lives to lift us up for prayer. I have finally begun to understand the story of the calm and the rough seas, and I believe—I believe in my heart of hearts—that it's because of the prayers of my fellow citizens.

And today, with the trust in the Lord's wisdom and goodness, I offer prayers of my own for each gathered in the room, for the safety and success of the Holy Father's visit, and for God's continued blessings on our great land. Thank you.

NOTE: The President spoke at 8:33 a.m. at the Washington Hilton Hotel. In his remarks, he referred to D. Austin Ruse, cofounder and member of the board of directors, National Catholic Prayer Breakfast; Pope Benedict XVI; Most Reverend Jose H. Gomez, Archbishop of San Antonio, TX; and Most Reverend Robert W. Finn, Bishop of Kansas City—St. Joseph, MO. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

Remarks at the America's Small Business Summit April 18, 2008

Thanks for the warm welcome. I appreciate you being here in the Nation's Capital. I know most of you have come from out of town, which is good. It means you're brave souls to be here on tax week. [*Laughter*] The Holy Father was here as well, which is good, because it will take a miracle to keep the IRS out of your pocket. [*Laughter*]

It's been a fabulous week, and I do welcome you here. And I want to thank you

for being dreamers and doers. One of the reasons I spend a lot of time talking about our small-business owners in America is because I truly believe you represent what makes America great, and it's the idea to have your own dreams, form your own businesses, create employment opportunities for citizens in the communities in which you live.

I grew up in Midland, and, gosh, I remember a lot of the—[*applause*]. There

you go. I remember—it's not exactly the biggest city in America. On the other hand, it's the kind of place that you know the—you knew the local shop person or the—my friend Jackie Hanks's Uncle Brutus had the local grocery store. And it was just that fabric of the community was the small-business owners.

And so I'm so thrilled you're here. I really appreciate you giving me a chance to come and visit some—talk some policy with you. I appreciate Tom for introducing me—president and CEO of the U.S. Chamber. They do great work in Washington, DC, trying to make sure that there is no harm and that there is good policy in order to encourage people to invest and save.

I want to thank my friend Andy Card who's here. Thanks for being here, Andy—my Chief of Staff in the first 4 years of the Presidency, did a fabulous job. He's a decent, honorable man, a guy I'm proud to call friend.

You know, this summit's occurring at a very trying time for our economy. You know that better than anybody else. We had—we've had a good run. I mean, we had 52 months of uninterrupted job growth, and that's a record. And now our economy has slowed. It's—businesses are being squeezed by high energy prices and high health care prices. Workers and families are anxious on a variety of fronts, including mortgage—making mortgage bills and higher price for food and gasoline. It's a tough time for America.

The—you know, we saw this coming. Last I can remember is talking to our team last year, and they said, there's a slowdown coming. And so we took some action. And I do want to thank Members of the Congress and members of the chamber for working on a—what I believe is going to be a very effective progrowth stimulus package. Now, we actually showed that it's possible for Republicans and Democrats to set aside the political wrangling that takes

place here in Washington and focus on what's best for the American people.

And I want to describe this package to you and to remind our fellow citizens that soon, a significant amount of money will be coming in their mailboxes, which is going to help the small-business sector. It's going to help families, and it's going to help the small-business sector, which helps the American economy. After all, you create 70 percent of the new jobs in America. And so the first thing that's going to happen is, is that the consumers will get a boost, in that tax rebates will be sent out to about 130 million American households. Now, these rebates will return up to \$600 for individuals, \$1,200 for married couples, and \$300 per child. When the rebates start to go out in a couple of weeks—which they haven't started to go out yet; Secretary Paulson tells me by the second week of May, the money is going to start moving—a family of four could receive a tax rebate up to \$1,800.

Now, here in Washington, that's like—people say, that's not very much money. Well, if you're out there worrying about your—about meeting bills or saving for your kids' education, that's a lot of money. And the purpose is to make a difference to the families and to encourage them and give them confidence so they can go spend, you know, buy products from you.

Secondly, the stimulus package provides incentives for business to invest in new plant and equipment and new technologies. Entrepreneurs like yourself should use this incentive to expand your business; it's the whole purpose of it. And the reason why we're trying to provide incentives for businesses, both large and small, is because when you have the incentive to go purchase a piece of equipment, somebody has got to make the equipment. It has a ripple effect throughout the economy. And this stimulus package has been in place for about 2 months, and small businesses are beginning to use it.

I had the honor of meeting Darlene Miller. You may know Darlene. She's from a—she's got a manufacturing concern in Minnesota called Permac Industries. She is—bought the company 14 years ago, and since then, she's expanded it dramatically. She's nearly doubled her manufacturing space last year, and now she needs some equipment to fill the space. And so thanks to the stimulus package, she told me she's going to purchase much of that equipment this year instead of spacing it out over time. In other words, the incentives have encouraged Darlene to make a purchase this year. She expects these investments to expand manufacturing capacity by 25 percent, and then she plans to hire at least five more workers.

The reason I bring up this example is this how—this is how incentives work. Darlene was incented—received an incentive to purchase machinery, to fill some space, to make sure she becomes more competitive. And in so doing, it not only causes somebody else to have to make the machinery, but she's now going to hire more people. She also had a pretty good achievement at—and she received another good achievement, I understand. After all, she's the Chamber of Commerce's National Small Business Owner of the Year.

And I met a guy named Tom Sawner. Now, he's an old fighter pilot, which means there's no wall he can run through. He's a doer, an achiever, and he's got him a small business called Educational Options. And he provides web-based curricula to schools all across the country. He is purchasing new computers, servers, routers, and cars to expand his business because of the stimulus package, because of the incentives.

He said the stimulus plan has helped give him the confidence to expand his workforce. This year, so far, he has hired four new employees, and he plans to bring on a dozen more. In his words, he said that the stimulus package has made a huge difference. And the stimulus package is

making a huge difference because small-business owners, like the two I mentioned, are taking advantage of the stimulus plan to boost investment, which then helps boost jobs.

It's going to take awhile for these changes to be reflected in our economy. The advisers—economic advisers and many outside experts believe that much of the impact of the stimulus will be felt starting in the third quarter, which begins in July. That's what the experts say. There should be no doubt in anybody's mind, though, that we'll recover from this slowdown. And we're going to bounce back strong, and the small businesses of America are going to lead the way.

We designed this package so it would be temporary and robust enough to have an effect. And so we need to be thinking in the longer term as well. And one way that—I mean, one thing Congress has got to understand is that there is—what small-business owners don't need is uncertainty. And one place where there's uncertainty is in the Tax Code, as well as trade. And I want to spend some time on taxes and trade today.

We've—as Tom mentioned, we've cut taxes. And I truly believe in the philosophy that you can spend your own money better than the government can. Obviously, there's a—[*applause*]*—*we've got needs in Washington, DC. We're fighting a war. We want to make sure our troops are well funded. We want to take care of those who can't help themselves. I mean, there's serious needs. But I also know that the more money that's available in Washington, the more people will figure out how to spend it.

And I truly believe what I mean: I think it's important for government to trust the collective wisdom of the American people. And that's why I was such a strong believer in tax relief. I also knew that we needed to make sure you had more money in your treasuries to help us get out of a recession,

to recover from war and corporate scandal and natural disasters.

The—I'm also confident a lot of people in America may have forgotten what it was like before the tax relief. And the problem is, is that we're on schedule for there to be an unpleasant reminder of what it was like before tax relief, because unless Congress acts, almost all the tax relief we delivered will expire in 2010. If Congress were to let this happen, tax rates will rise across the board, the marriage penalty will return in full force, the child tax credit will be cut in half, and every income payer—income tax payer in America will receive a tax hike.

What I don't think a lot of people in Washington fully understand is that small-business owners are going to bear a heavy burden if the tax rates go back up. And the reason why is, is that most small-business owners are subchapter S corporations or partnerships or LLCs that pay their business taxes at individual rates. So if the individual rates go up, it directly affects millions of small businesses in America.

Taxes on capital gains and dividends would go up, which would discourage the investment you need to expand. And the death tax would come back to life. The—overall, it is estimated that small-business owners would face an average tax increase of more than \$4,000 per year. That would stifle enterprise; it would hurt workers. The last thing small-business owners need is higher taxes. I believe strongly that to make sure this economy recovers and stays strong, there needs to be certainty in the Tax Code. And the best way for Congress to make sure there's certainty is to make the tax relief we passed permanent.

I want to talk—spend a little time on trade. Last year—and this is important for you to understand—last year, exports accounted for more than 40 percent of our growth. This is a critical contribution to our economy at any time, but especially now. With the economy slowing, exports are providing a valuable contribution to

economic activity. And Congress has an opportunity to expand access to key export markets.

In other words, there's an opportunity for Congress to say that let's continue to have this kind of economic vitality, as a result of exports, permeate throughout our economy. And they've got an opportunity with—to vote on trade agreements with three democratic allies and friends: Colombia, Panama, and South Korea.

I want to spend some time talking about Colombia today because this is the first of these agreements to be considered. Unfortunately, leaders on Capitol Hill seem to have put special interests ahead of the economic and strategic interests of our Nation, because the Speaker of the House recently changed House rules in the middle of the game so she can put off a vote on the Colombia free trade agreement. If this decision stands, it will kill the agreement, and American small-business owners and workers will likely be hurt the most.

And here's why. Almost all of Colombia's exports to the United States enter our country duty free, but the 9,000 American businesses that export to Colombia, including 8,000 small and mid-sized firms, face substantial tariffs on their products. The Congress has passed laws in the past that enable Colombian goods to come here duty free; the vast majority of our products face taxes to go into their countries. And most of the people facing those taxes are small-business owners.

And this problem is easy to resolve. The free trade agreement would immediately eliminate most tariffs on American exports to Colombia. That's what the free trade agreement does. My attitude is, just treat us the way we treat you. All we want to do is have a level playing field in which to compete. By level the playing field—by leveling the playing field, American products would be more competitive in Colombia, and it would help American businesses.

It turns out that if you're an exporter, your workers are likely to get paid more money. It's good for American workers to be working for companies that export into other markets, and it's good for small businesses. Yet after 500 days that we signed the agreement with Colombia, the one-sided trading relationship remains in place because the Congress has failed to act.

The obstruction has another consequence. Congress is signaling to a watching hemisphere—people in the hemisphere, our own neighborhood, are watching to see how the United States Congress reacts to our friends. They're wondering whether or not America can be trusted to support our friends.

And we've got a friend in President Uribe of Colombia. He's a steadfast ally. He has transformed his country from the brink of a failing state to a stable democracy with a growing economy. He has partnered with the United States of America in the fight against drugs and terror. He has responded to virtually every request of the United States Congress, including revising the free trade agreement to include some of the most rigorous labor and environmental protections in history. He's done all this while under violent assault from a terrorist organization called FARC, and he's done all this facing intimidation from anti-American regimes in the region.

It's hard to imagine any leader in the world who has proven more worthy of our support and friendship. Yet Congress's response is to complain that Colombia still has not done enough. In particular, some Members of Congress have charged that the Colombian Government is not doing enough to prevent violence against unionists. Well, President Uribe has taken historic measures to reduce violence against unionists. As a result, according to the Colombian Government, Colombian unionists are now less likely to be homicide victims than members of the general population. And as President Uribe has made clear, one of the best ways to improve security

even further is to provide more jobs, which is exactly what a free trade agreement will do. By rejecting this agreement after all Colombia has done, leaders in Congress would send a terrible message.

They had an editorial in the Washington Post the other day that summed up Congress's message this way: "Drop Dead, Colombia." Well, the congressional leadership's decision to turn its back on Colombia is especially hypocritical because Democrats are often the loudest voices for more diplomacy and greater sensitivity to our allies. The Colombia agreement is a textbook example of this approach, and yet the Speaker chose to use unprecedented tactics to kill it.

Leaders in Congress have made a serious error. It's a serious error for economic reasons, and it's a serious error for security reasons. They have—it's not too late, however, for them to get it right. This week, a long list of senior officials from Democratic administrations and Democrats from previous Congresses signed a letter urging Congress to approve this agreement this year. And they wrote, "We feel that the treaty should be considered as soon as possible and that any obstacles be quickly and amicably resolved." I couldn't agree more. I urge the leaders in Congress to reconsider their position and recognize the stakes at hand and approve the Colombia agreement as soon as possible.

There are other things we can do to help small businesses weather the difficult time and, equally importantly, remain competitive for a long time to come. One, Congress should work to make health care more affordable and available by expanding health savings accounts, by confronting junk medical lawsuits that are running good doctors out of practice and running up the cost of health care for small businesses, allowing businesses—small businesses to pool together across State lines—it's called association health plans—across State lines to get the same discounts on health insurance that big businesses get.

We're working with Congress, and I've been working with the folks in my administration, to help people who are credit-worthy stay in their homes. There's a—I think it's very important that we not help speculators, but there are a lot of people that are wondering how to renegotiate their mortgage. I've explained to people, when I bought my first home in Midland, there was actually things such as savings and loans. And the person that actually lent the money owned the note. Well, these days, the people who are lending the money don't own the notes, and so it's difficult if you want to renegotiate to figure out who to renegotiate with.

And so we've set up a plan called the HOPE NOW Alliance to help creditworthy homeowners renegotiate so they can deal with these reset mortgages and stay in their homes. We want people owning their home. We want people owning a business; we want people owning their own homes. We want to help them stay. And Congress can help by passing responsible legislation that modernizes the Federal Housing Administration, reforms Fannie Mae and Freddie Mac, allows State housing agencies to issue tax-free bonds to refinance subprime mortgages. There's a way to help people.

Congress ought to help and, you know, prepare the workforce for the 21st century. One of the concerns of Congress is that trade causes people to lose jobs. I understand that concern. That's why I'm a supporter of trade adjustment assistance. Congress needs to work with leaders of both parties to get a good trade adjustment assistance bill to my desk that I can sign into law.

I also strongly believe that we want to make sure the No Child Left Behind Act continues to work. It's a—you measure every day; that's why you're successful businesspeople. I mean, you know what your business is doing. I believe we ought to extend that same principle to our public schools and ask a simple question: Can a

child read at grade level? And in order to determine that, that's why you measure. And if the answer is yes, we all say, great. If the answer is no, the next question ought to be, then what are you going to do about it? And so the principle behind the No Child Left Behind Act is to set high standards, believe every child can learn, and measure to see if we're getting results. And Congress need not weaken such a good piece of legislation.

And finally, one issue that you need to be aware of is that—is the issue on secret ballots when it comes to allowing workers to vote their conscience on whether to form a union or to remain unaffiliated. Congress is now considering—it passed out of the House, and the Senate, I'm told, is going to take this up. And I just want to put this on our collective radar screens, that Congress is considering card check legislation that would strip workers of a fundamental right—that is the right for secret ballot as to—whether to unionize or not. This bill would expose workers to intimidation, it violates the principles of our democracy, and if it were to reach my desk, I will veto it.

The purpose of good policy in Washington should be to unleash the entrepreneurial spirit of the country. You can't make somebody an entrepreneur from government, but you can create an environment which encourages risk-taking and enables people to keep more of what they earn, lets somebody stay more in the shop than in the courthouse, helps people help their workers.

We—and so some of the policies that I've just outlined are all aimed at creating an environment that is conducive to entrepreneurship. I was—I see all kinds of amazing things when I'm President; I read about them, of course. I love meeting with our entrepreneurs, and I love hearing the stories about how businesses get started. And a lot of times, believe it or not, there is—as I'm sure you know, that they all happen, like, at a kitchen table. And sure

enough, out of that simple idea and hard work—because I understand as well as anybody how hard it is to build a small business. I mean, it's not—it takes a lot of time and a lot of effort and a lot of focus and patient spouses and sometimes spouses actually watching the money to make sure the other spouse doesn't blow it. [Laughter]

So how about this guy. He is a guy who paid his way through college, and he—by diving into water hazards and selling the golf balls that he found. And evidently, he had this dream, and so he graduated and decided to take his idea and make it into an Internet golf shop. And it's a prosperous business, and he's creating jobs.

Now, he didn't need a government program to figure out how to do that, it's his ingenuity. It was his desires to not only pay his own college education but then to convert that into something that would be good for consumers—obviously, if it wasn't good for consumers, he wouldn't have much of a business history—good for the people he's employed. And all he needed

was the ability to dream and willingness to work hard. And this is what defines our country. It's the spirit that makes America so unique and so great. And that spirit is found in the room.

And our—the role of government is to never stifle that spirit, is to encourage the spirit, reward the spirit, and always pay—and always remind our citizens that we are a vibrant and prosperous and hopeful nation, because we are a land blessed with vibrant and hopeful people.

God bless you, and thanks for letting me come by.

NOTE: The President spoke at 11:12 a.m. at the Renaissance Washington, DC Hotel. In his remarks, he referred to Pope Benedict XVI; Thomas J. Donohue, president and chief executive officer, U.S. Chamber of Commerce; Darlene M. Miller, president and chief executive officer, Permac Industries; and Thomas E. Sawner, president and chief executive officer, Educational Options, Inc.

Remarks on the Nomination of Steven C. Preston To Be Secretary of Housing and Urban Development

April 18, 2008

Thank you all. Please be seated. Welcome.

A few weeks ago, my dear friend Alphonso Jackson informed me of his decision to step down as the Secretary of Housing and Urban Development. Secretary Jackson is one of the longest serving members of my administration. I know him well. He's a decent man, he's a dedicated man, and he's a compassionate man. He's worked tirelessly at HUD to help America's homeowners. He has transformed a lot of lives, and America is a better place because of your service. I wish you and Marcia all the very best as you head back to Texas. I'll be right behind you. [Laughter]

The Department requires strong leadership at a time when our housing market is experiencing a period of challenge and uncertainty. In seeking to fill this important Cabinet post, I looked for a leader with an impressive background in finance, someone who understands the important role the housing market plays in the broader economy. I sought a reformer who would act aggressively to help Americans obtain affordable mortgages, and I sought a—and be able to keep their homes. I sought a consensus builder who's earned the respect of Republicans and Democrats, who can get things done.