

Prime Minister Balkenende. It's good to add that we did not talk about the situation after the half of July. That is the responsibility of the Dutch Government and Dutch Parliament, and we'll talk about it, as I made it clear already, earlier. But I think it's very good to look always to the situation of the Iraq people and the international struggle against terrorism. Therefore, it's so important that countries are working together, and they can draw the same lines. That's very important, but it has nothing to, at this moment, to the decisionmaking as far as the situation after the first of July is concerned.

President Bush. Thanks, good job.

NOTE: The President spoke at 10:14 a.m. in the Oval Office at the White House.

Remarks in a Discussion on Health Care Access

March 16, 2004

The President. Thanks for coming. Please be seated. Thanks for the warm welcome. What you're about to hear is a discussion about how to make sure America's economy continues to grow and practical ways to help employers and employees to grow the economy, make the right decisions. That's what we're here to discuss. It's an economic lesson. But we're not using Ph.D.'s. Well, we're using Ph.D.'s in the sense that we're talking to entrepreneurs who are on the frontline of making capital decisions every day, and decisions of—big decisions for each person they hire. That's what we're here to discuss.

But before we do, I want to thank the Chamber for allowing us to use this fantastic facility. It's a short drive from the White House, and it's a beautiful place. So thank you very much for letting us be here.

I noticed I've got some of my friends from the Congress here. Sam Johnson from the great State of Texas, I appreciate you coming, Sam. Congresswoman Katherine Harris from Florida, thank you for coming, Katherine.

Yesterday, I had the fortune of being in Ardmore, Pennsylvania, to talk about homeownership. It turns out that one of the fantastic statistics and one of the realities of our society today is more people own homes than ever before. And Congressman Jim Green-

wood traveled with me yesterday. He is here today. He is here not because he particularly likes to hear his President talk. He is here because he is the author of the national medical liability reform law. And I appreciate you coming, Jim, and thank you for being here.

I want to thank all the small-business owners who are here. Thank you for being dreamers and doers and employers. Thank you for taking risk, and thank you for following your heart. I mean, I love the entrepreneurial spirit of America. It's an incredibly important part of our country and our future. You see, the role of Government is not to create wealth; the role of Government is to create an environment in which the entrepreneurial spirit can flourish. And we've got a lot of small-business owners here today, and I want to thank you for following your dreams.

I want to thank the local community leaders who are here. I hope you're as optimistic as I am about the future of this country. The reason I am is because I know what we've overcome. We've overcome a lot. We've overcome a recession. We've overcome an attack on our country, an attack which, by the way, not only affected our spirit, it affected our economy. They estimate over a million jobs were lost after the attacks of September the 11th. We overcame that, those attacks, because of the resolve of the American people. The American people refused to be intimidated by coldblooded killers. We refused then to be intimidated. We refuse now to ever be intimidated by coldblooded killers.

And then we had a problem in our society in that we've had some people that were—positions of responsibility didn't tell the truth. You might remember the corporate scandals. That affected the psychology of the country. A capitalist system requires trust. If you're going to invest, you need to trust the numbers. If you're an employee, you need to trust your employers. And yet, unfortunately, there was some citizenry that forgot what it meant to be a responsible citizen, and they didn't tell the truth.

But we passed tough laws. I want to thank the people from the Congress here to help pass those laws. It is now clear we were not

going to tolerate any dishonesty in the boardrooms of our country. People will be held to account. And we overcame that.

And then, as you know, I made a tough decision about keeping our word and about making this country secure and the world more peaceful, and we went to war. And I committed, along with other nations, brave sons and daughters of our respective countries to deal with the tyrant who refused to yield to the demands of the world. And now he sits in a jail cell, and Iraq is free.

We marched to war, which affected the economy. It's hard to be confident about the future when you look on your TV screens and you see the banner, "March to War." As decisionmakers and entrepreneurs, it had to be an unsettling time to plan for the future, when you've got a country marching to war. Now we're marching to peace. We're marching to peace. A free Iraq is going to help change the world. A free Afghanistan is changing the world. The world is becoming more peaceful.

In other words, we've overcome a lot, and the statistics show it. We're growing. Our economy is the strongest of all the major industrialized nations. It's a growing economy. I just mentioned homeownership. We've got more people owning their home than ever before. We're closing the—there's more minority homeownership in America. And that's what we want. We want people owning something. We not only want them owning their own business; we want people owning their own home and owning and managing their own health care accounts as well. We're going to discuss that in a second.

The interest rates are low, and inflation is low. We had a great report yesterday on the manufacturing sector. Things are looking up, but there is more to do—there's more to do.

I think one of the reasons why we're doing so well is because we cut the taxes right at the right time. I went to Congress and said, "Look, we've got a problem. We've got some hurdles we've got to overcome. We've got to overcome a recession. We've got to overcome attacks. We've got to overcome all the things you heard about." And Congress responded, thankfully, and passed robust tax relief. We cut the taxes on everybody who

pays taxes. We increased the child care—the child credit to help people with families. We reduced the marriage penalty. By the way, it doesn't make any sense to penalize marriage in the Tax Code. We ought to be encouraging marriage, not penalizing marriage.

And we put the death tax on the road to extinction, which is good for entrepreneurs and farmers and ranchers. People say, "Why did you do that?" Well listen, if you're a small-business owner, you ought to be able to leave your assets to whomever you choose. You've worked all your life to realize your dream. You build up your asset base. You build up your company. You pay taxes when you're successful, and then you have to pay taxes again when you die. That doesn't make any sense. We want these owners of businesses to be able to pass them on to whoever they choose to pass them on to, without the Government getting in the way again.

And so we worked hard on good, smart economic policy. And the entrepreneurial spirit is strong, and one of the reasons why is because the tax cuts pertained directly to small-business owners. Most small business are Subchapter S corporations or sole proprietorships. And when you're a Subchapter S or a sole proprietorship, you pay tax at the individual income tax level. So when you hear people say we cut individual income taxes or tax on the rich, really what you ought to put in your mind is these were taxes to help the entrepreneurial class of America. Small businesses benefit. And since most new—most new jobs are created by small businesses, it makes sense to have economic policy directed at the small-business sector. And the entrepreneurial class is expanding, and it's strong, and we're adding new jobs. And there's more to do.

And here's some things we need to do. First, we need to make the tax cuts permanent. If you're a mother or a dad who received tax relief as a result of the child credit and you're beginning to plan for your future, it is unsettling to know that Congress hadn't resolved this issue yet. If they don't make the tax cuts permanent, they're raising the taxes on the hard-working people in America. We need tax relief.

And at the very minimum, Congress needs to make sure that the child credit and the

marriage penalty relief and the 10-percent bracket are made permanent. And I'm calling upon them to do so. Business leaders need permanency in the Tax Code. They don't need to be worried about whether the taxes are going to go up this year or next year. They don't need to be worried about whether or not the deductibility aspect of the tax relief remains steady or not. We need permanence in order to make sure that jobs don't go overseas, for example. We need Tax Code permanence to make sure that job growth is strong here at home.

We need an energy bill. If you're a manufacturer, it's hard to plan if you're worried about your—either your energy costs or whether you're going to have energy at all. Congress needs to get us an energy bill. If they're interested in jobs staying here at home, if they're interested in creating an environment in which we're competitive, we need an energy bill, one that encourages reliability for electricity and one that encourages conservation and helps us become less dependent on foreign sources of energy.

We need less regulations. I suspect—we met with a homeowner—homebuilder yesterday, Congressman. Remember the guy? He was upset that he had to fill out forms at the Federal, State, and local level in order to build a house. But he also made a pretty valid point. He pointed to one of the new homeowners there and said, "By the way, every form I fill out costs me money, and you have to pay." We need regulatory relief. I suspect these businessowners, if they were honest with you, say they spend too much time filling out the forms. And I, frankly, can't assure them that anybody has ever read the form here at the Federal level.

We need to open up markets for U.S. products. See, our markets are pretty well open. Both Republican and Democrat Presidents in the past have said let's keep our markets relatively open for the consumers of the country. Now we've got to make sure that if our markets are relatively open, then others need to open up theirs. It's only fair. So when you hear me talking about trade, really what I'm talking about is, "Let's make sure we're treated fairly. Let's make sure the playing field is level."

We can compete with anybody. At least, I think so. That's why the economic isolationists have it wrong. That's why the people here in Washington—see, that's the message the pessimists send. They say, "We better put up walls and barriers between America and the world, because we can't compete." That's not what I think. I think we can compete with anybody.

My job is to make sure that playing field is level and let the American workers out-produce anybody in the world and let our farmers outplow anybody in the world. We're good at a lot of things, and we ought to be selling our products. Heck, we're 5 percent of the world's population, which means there's 95 percent of the people ready for products that say, "Made in the USA." This administration will reject economic isolationism, for the good of our workers.

And finally, to the point we're here to discuss. In order to make sure America remains a competitive place, in order to make sure that we can expand the job base where people can find work, in order to make sure the entrepreneurial spirit remains strong, we need to address the issue of the cost of health care. The rising cost of health care affects these good folks' ability to hire workers, and we need to address that. I want to talk about some practical ways to address the rising costs of health care.

But first, it's important to understand we have a struggle here in Washington. It's a philosophical struggle. It's the difference between the decisionmakers in health care, who should be the decisionmaker. I believe strongly the decisionmakers ought not to be the Federal Government and Federal bureaucrats. I think the decisionmaker in health care ought to be individuals and employers.

And there's a philosophical divide, and it's part of the debate. The debate is whether or not the marketplace ought to have a function in determining the cost of health care or whether or not the Federal Government ought to make all decisions. I've made my stand. I believe that the best health care policy is one that trusts and empowers consumers and one that understands the market.

Now, there are some things the Federal Government has got to do to make sure health care is reasonable and sound, one of

which is to expand what we call community health centers. In other words, we recognize there are people who have trouble getting health care, and we need to address those needs. And to me an efficient and appropriate way to do so was to expand the number of community health centers, primary care providers, for poor people in the country.

And we've done so. We've opened or expanded 600 centers since 2001. There are 3 million more people now serviced by these community health centers. My goal is to expand—open and expand another 600 by 2006. And I appreciate the Congress working on this. This is a smart way to make sure that health care is delivered to people who can't afford health care. And it's a smart way to get people out of emergency rooms. Many times people go to emergency rooms, which is costly health care, for primary care needs. And community health centers work, and they make a lot of sense.

Secondly, we dealt with Medicare, as you might have heard. This is an issue that had been passed on from Congress to Congress, an issue that people talked about, but nobody wanted to do anything about it. I felt we had an obligation to our seniors, as did Members of the United States Congress, to provide a modern system, a reformed system, a system, frankly, that hadn't been changed much since Lyndon Johnson first introduced Medicare.

And it was high time we put a new system in place, one that said there needs to be prescription drug coverage for our seniors. And after all, if Medicare covers a heart operation that costs a lot of money for the taxpayers, doesn't it make sense to cover the medicine that might prevent the heart operation from having to happen in the first place? And that's a new element involved in Medicare, thanks to the reforms of Congress.

We want our seniors to have choices. There's some people in Washington who resisted that aspect of the Medicare bill because they want the Government making choices for the patients. It's a different way of thinking than our way of thinking. Our way of thinking is, the more choices seniors have, the better the Medicare system will become. And so an inherent part of the Medicare reform was to trust people with their decisions. And so you'll see a much more vi-

brant private sector involved now with the delivery of services to Medicare patients.

This year we're going to put out a Medicare—a drug discount card for our seniors that will save between 10 to 25 percent off their drugs, which is positive. Next year we're going to have preventive screenings, and the next year the drug benefit will kick in to Medicare. So we've addressed that aspect of medicine.

Thirdly, we passed what's called health savings accounts. You're going to hear an interesting discussion on health savings accounts. Part of the purpose of the discussion is to put meaning behind, like, letters. In Washington you hear, "Oh, we got you HSAs." And the average person out there goes, "Huh? HSA?" So we're going to talk about health savings accounts to explain what they mean.

They basically work this way: You or your employer buys a low-cost insurance policy to cover major medical bills. And what happens, by the way, if you trust the market, if you devolve away from Federal control of health care, then the market begins to respond, and now more insurance companies are beginning to provide policies that provide coverage for major medical.

And then you take that policy and you combine it with an HSA, which means you can contribute money tax-free, that earns interest tax-free, that can be withdrawn tax-free to cover other medical expenses. Now, the advantage of this plan is—the tax-free is an advantage, by the way. If you're putting money in tax-free and it accumulates tax-free and you can take it out tax-free, that's the beginning of a pretty good deal for the individual.

But there's also some other advantages. You're the decisionmaker, not a bureaucrat in an HMO. You get to make the decisions. You get to decide. There's incentive built in to make the right choices in your life. When, all of a sudden, when you see your savings account, it covers your incidental costs, and the major medical, of course, covers the big costs, you begin to make wiser decisions. All of a sudden, it makes sense to start walking five times a week to save money. It's your money, and then it rolls over, and you can build up quite a healthy account.

But the good news as well is this: Inherent in the health savings accounts are savings, savings for employers, savings for employees. In other words, one way to deal with the cost of health care is to push for health savings accounts. You're going to hear an interesting discussion on this today.

Another way to make sure that small businesses can survive and provide care for their employees is through association health plans. These would provide small businesses the same opportunity that big businesses get, and that is the economies of scale, the economies of purchase, the ability to share risk in larger pools, which drives down the cost of health care for small businesses.

These plans are resisted here in Washington by special interests. We're trying to bust through the special interests to make sure that small businesses have got the same advantages of big businesses. And there's some good law passed out of the House of Representatives, stuck in the Senate, like a lot of other things are stuck in the Senate. And they need to get it out, for the sake of controlling health care costs.

You hear a lot of rhetoric in Washington about jobs and job creation and outsourcing. The best way to deal with job creation and outsourcing is to make sure our businesses are competitive here at home. The more competitive we are here at home, the better it is to do business at home, the more likely it is we'll keep jobs here at home. And association health plans is one such way.

And there's another way we can help control the cost of health care. I mentioned Congressman Greenwood. He is fighting the ultimate entrenched interests and special interests, and that is the lawyers who love the fact that you can sue right and left in America. That's what he's fighting. He understands available and affordable health care is affected by frivolous and junk lawsuits. It's an issue—it's a national issue.

When I first came up from the Governor, I said, "We'll just let the States deal with the medical liability reform." And then I saw what the practice of defensive medicine does to our budget. That's—defensive medicine means we're going to practice more medicine than we need to in order to make sure we've got a good case in the court of law when

we get sued. See, everybody is getting sued. It's like a giant lottery. "I'm just going to sue and sue and sue, and maybe I'll get lucky and win one of those settlements where I get 40 percent of the take." But it's harming our society. It's harming people who are trying to create jobs, because it's running up the cost of their health care.

And so I took a look at the cost to the Federal Government. Imagine what the Federal Government is paying. We pay Medicaid and Medicare and veterans' health care costs, all of which are affected by the practice of defensive medicine as a result of frivolous lawsuits. And so I said, "Well, let's get to work on this issue. Let's take on the special interests here in Washington, DC."

And Congressman Greenwood stepped up and got a good bill out of the United States Congress. I said, "It's a national problem that desires a—needs a national solution." Congressman Greenwood responded. We basically said, "If you get hurt by a bad doc, you get paid the economic damages." That's fair. That makes sense, but there needs to be a cap on noneconomic damages at \$250,000, so the settlements are reasonable, not outrageous. And of course, if there is a need for punitive damages, they've got to be reasonable. And Congressman Greenwood is willing to be reasonable on such an issue.

Medical liability reform will make it easier for people to afford health care, which will make America more competitive a place. It means we're more likely to hire people right here at home. His bill got out of the House. It's stuck in the United States Senate. The trial bar won't let it out. For the sake of good health care, for the sake of job creation, for the sake of expanding—an expanding economy, we need medical liability reform now.

Okay, you've heard enough from me. Roman is with us. Roman, tell us your business. He's from Knoxville, Tennessee. It doesn't sound like it.

Roman Botcharnikov. Well, yes, I'm from Russia originally.

The President. Are you? Raised in Russia?

Mr. Botcharnikov. Yes.

The President. Born in Russia?

Mr. Botcharnikov. Born and raised there.

The President. Where?

Mr. Botcharnikov. Sochi, it's Black Sea.

The President. Yes, I know Sochi.

Mr. Botcharnikov. It's a resort area. I think you've been there.

The President. No, I haven't been there, but Vladimir Putin called me from there. He's been there. [Laughter]

Mr. Botcharnikov. Putin, yes. He's always there.

The President. It's a nice place.

Mr. Botcharnikov. Yes, it is.

The President. So when did you come to the States?

Mr. Botcharnikov. Well, I'm a professional coach, actually, and I coach pole vaulting. And I coach American recordholder and silver medal winner at the Sydney Olympic Games.

The President. Really?

Mr. Botcharnikov. Yes. That's my profession. That's how I end up—

The President. Have you got somebody vaulting in the Olympics this year?

Mr. Botcharnikov. Well, we're getting—we have to upgrade our medal from silver.

The President. Yes.

Mr. Botcharnikov. There's only one way.

The President. That would be gold. [Laughter] Okay, so you're a pole vault coach, but you're also a businessman. First of all—let me just—I'm fascinated by knowing this—this is the first I've heard he came from Russia. So what age were you when you came?

Mr. Botcharnikov. Well, I actually went to Australia first when I was 19. Then I lived there for 3 years and then came here in '92.

The President. So at 22 years old.

Mr. Botcharnikov. Yes.

The President. Fantastic. Why did you come here?

Mr. Botcharnikov. Well, it's a land of opportunity. The United States is unbelievable country, unbelievable. People all over the world look up to United States and see what's going on here and have the business. You were just talking about products made in USA. All over the world, people want "Made in USA." They do. And everybody dreams to come in here and test—and everybody is allowed—there's a good environment here where entrepreneurs can succeed. I had my business—several businesses actually, kind of

expanding and expanding. And how I got in—why we have a hair design studio, which—

The President. Yes, I was wondering about the hair design thing. [Laughter]

Mr. Botcharnikov. Yes, finally. [Laughter] Third attempt. My wife—

The President. Is it wigs or—[laughter]—what is your business? Tell us your business, how you started it.

[Mr. Botcharnikov, business director, Salon Azure, Knoxville, TN, made further remarks.]

The President. Listen, here's the thing. Here's what people have got to understand. The combination of his premium payments for major medical insurance—major medical means if you have a real expensive problem—plus what he puts into his savings account equals a savings of \$200 a month, and yet he gets as good a coverage—

Mr. Botcharnikov. Better.

The President. —even better coverage. And that's the point. This is a new product. This is a new idea, and people—one of the reasons we're having this discussion is to encourage employers and individuals and employees to look into what's called health savings accounts. They used to be called MSAs; they're now called HSAs.

And I just—again, I repeat Roman's story. He puts 177 in for his insurance, monthly premium. He puts \$100 in a month for his savings account. It goes in tax-free. It accumulates interest tax-free. When he withdraws it to pay for medical bills, it's tax-free. If he doesn't use it all, he rolls it over to the next year. It's a savings account to pay for medicine, and yet, he's saving \$2,400 a year.

It's an interesting, interesting opportunity, and I want to thank you for describing it.

Mr. Botcharnikov. It is kind of unbelievable to me.

The President. Yes, it is unbelievable, just like America.

Okay, Sandy Calohan is with us. She is the president of Carolina Paper & Builders Materials, Inc. By the way, when you hear her talk, she is a—first of all, there's a lot of female-run businesses in America, which means the country is better off. There's a—the fastest growing component of the entrepreneurial class is women-owned businesses.

They're being created, like, at two times the rate other businesses are, which is a really exciting part about the country. Secondly, she's a Subchapter S corporation. She's part of the rich. You'll hear, "taxing the rich." That means we're going to tax Subchapter S corporations. These are people who are actually hiring people, people who are expanding the job base because they're willing to take risk.

And so—and by the way, just an aside, just to keep everybody's perspective properly focused, when you're running up individual tax rates, you're taxing small businesses just like Sandy.

Welcome.

[*Ms. Calohan made brief remarks.*]

The President. And the—see, what's interesting about how a marketplace works, all of a sudden Sandy bugs her provider, and the provider begins to say, "Well, gosh, maybe there's a demand here for a different kind of product. We'd better get involved. If we want to keep her business, we better come up with a new way to deal with her problems." I think what you're going to find is, is that the more widespread the notion of health savings accounts become, the more carriers will start providing this kind of insurance. That's how a market works. That's in stark contrast to a Government-run policy in which there is no market. It's like, "Here it is, as decided by bureaucracies and/or law."

And I thought it was a very interesting story that you've been bugging the guy for 7 years. A new product becomes available as a result of Government action, which I find pretty interesting, isn't it? I guess it's the tax aspects that required Government action in the first place. But—and all of a sudden, these products are becoming more available, and Sandy has got one. And she is a satisfied customer, but most importantly, so are her employees, I presume?

Ms. Calohan. Yes, we are. It was either—we were going to have to do something because it was—the cost of health insurance was getting prohibitive. We weren't going to be able to have any if we didn't do something.

The President. Yes.

Ms. Calohan. Because I just can't—\$100,000 a year is a lot of money for health insurance for 19 people.

The President. For a small business. Yes. The other day—are you going to hire anybody this year? Yes, hope so. Me too. [*Laughter*]

Small businesses are expanding, and one way to help them is so they can control their cost, health care costs. It's a major part of a person's outlook. A small-business owner's outlook is improved when there's a new product available that says, "Gosh, I'm meeting the needs of my employees and also been able to better control costs."

Dan Schmidt is with us. He's the CEO of Mercury Office Supply, St. Paul, Minnesota. How's the weather up there?

Dan Schmidt. Well, it's beautiful. You just got to think of the bright side, ice fishing—the positives.

The President. Yes, okay. [*Laughter*]

Mr. Schmidt. That's the key. You got to be active in winter.

[*Mr. Schmidt made brief remarks.*]

The President. Yes, you see what he's saying is, what's interesting about this, that one of the great elements about health savings accounts is that all of a sudden the consumer starts being more in charge of the decision-making process. As he said, the consumer can make choices. And when consumers make choices, it then encourages them to start making healthy choices, particularly when you get to save money, when it's like your money on the line.

And remember, you save money. People say, "Well, why would I want to put money aside when it's being paid for me?" Well, the answer is, because the costs of the HMO plans on a monthly basis far exceed the costs of major medical insurance, plus your own savings. In other words, you're saving money, but you're also watching your money grow if you start making healthy choices. People say, "Will there be gaps in coverage?" No. You get the same amount of health care coverage. I presume your employees are not complaining about the fact that they don't get coverage?

Mr. Schmidt. No. And that was one of the key things. We were actually looking at,

can we afford this as a small business? Are we going to have to drop insurance? And morally and ethically, I had to take care of my employees. It's just something that every American should do.

The President. Yes, see, you're part of the responsibility era. You see the responsibility that comes with owning your own small business. I love that sentiment. "I have a moral responsibility to take care of my employees," says Dan. And that's why the country's great, by the way. There's a lot of people who have that great sense of responsibility. That's why it's important to keep the entrepreneurial spirit strong. Small-business owners know that they can't survive without taking care of their employees. It's kind of a necessity, isn't it? Not only do you have a good heart, but there's an economic necessity involved as well.

I want to thank you for coming, Dan. By the way, he's a Subchapter S corporation, which means if Congress doesn't act, they're going to be raising taxes on people like Dan Schmidt. Employers who are looking to expand—he's got 13 employees. I know that's not a lot for some of the people here in Washington, but there are millions of companies that employ 13 people or less. And there's a lot of small businesses. And it's that vibrancy in the private sector that really defines a strong economy. The vibrancy of owning your own business makes people come from Russia with a great dream. And Congress must understand that good policy is necessary to keep these people energized and excited so that the small-business sector is strong. If you've got too much Federal Government intruding into the lives of small business, it's going to make it hard for us to expand the job base.

Now, speaking about people who are interested in expanding the job base, Patty Orzano is with us. Patty, I'm glad you're here. She owns her own business. Isn't that true?

Patty Orzano. I'm a partner with my husband for over 30 years in 7-11 franchises.

The President. In more ways than one. *[Laughter]*

Ms. Orzano. Now—okay—*[laughter]*—I'm the managing partner. *[Laughter]*

The President. I've got that relationship in my household too. *[Laughter]*

Good job, everybody.

Ms. Orzano. Mr. President, I'd like to thank you for coming back to New York last week. New York does love you, and we need you back.

The President. Thank you.

[Ms. Orzano made brief remarks.]

The President. I appreciate that. Listen, what you're hearing is the call for help. By the way, Patty is a 7-11 franchisee, owner, pays taxes, by the way, business taxes at the individual income tax rate. So when you hear them talking about, going to run up these—tax the rich, that's who she's talking about, right there.

And she is—wants to stay in business. She wants to expand. She doesn't need the added expenses. She's got huge medical costs already. Perhaps HSAs will help you, but more importantly, AHPs, associated health plans, will, because basically what she's saying is, is that I need to be able to afford—have a basic health care plan, free of mandates, available to my employees, where I can share risk with other small-business owners. That's not too much to ask, is it, to allow small-business owners to have the same benefits as large businesses in America? That's what she's asking for.

And frankly, that's what I'm asking Congress to do, to provide small businesses with the same opportunity that big businesses have. It's a practical way to deal with the costs of health care. It will allow this good lady to feel comfortable about expanding her business and, at the same time, taking care of her employees. The costs of health care, the rising costs of health care, for a lot of reasons, are affecting the ability of the Pattys to be able to be comfortable in her relationship with her employees and expand her business.

And the option, by the way, is not to say, "The Federal Government ought to take it over, take over the health care industry." That would be the absolute wrong prescription. The right prescription is reasonable policy, one of which is associated health plans.

We've got with us the president of R.W. Murray Company, Bill Fairchild. By the way, Subchapter S corporation—he pays tax at the individual income tax level. The rhetoric that

says, "Oh, we're going to raise the taxes on a certain group of people," that's who they're talking about. They're talking about a lot of others as well—don't get me wrong—but small businesses will pay higher taxes. It doesn't make any sense to be raising the taxes on small businesses as we're starting to recover. Seventy percent of new jobs are started by small-business owners. Why would you penalize those who are creating the new jobs? You don't want to be doing that.

Anyway—Bill, welcome. What do you do?

[Mr. Fairchild made brief remarks.]

The President. You understand what he's saying is this, is that if you're able to spread risk, it lowers the cost of buying health care. In other words, if an insurance carrier can spread risk across a variety of people or a variety of firms, it makes it more likely his health care goes down. If he's in the market bidding for a health care plan for 26 people, it's a lot different than if you're in the market bidding along with 260,000 people. And that's—by spreading risk, it reduces the cost of health care to him.

That's all we're asking for, is to give small businesses the opportunity to spread risk, not only within the State of Virginia, but he ought to be able to share risk with small contractors in Crawford, Texas, for that matter. What we're interested in is a market working so that people can hire people. That's what we want. That's the public policy ramifications of good health care insurance.

And the option, again, the other alternative you'll hear in Washington is, "All this stuff doesn't work. Let's block this from happening because we want the Federal Government to make all the decisions. We want the Federal Government to be the decider. We want the Federal Government to be the consumer and the provider." And in my judgment, that would be a disaster for small businesses and consumers. It would make the health care cost more likely to go up than go down. It would mean the health care wouldn't modernize like it has been lately, and we wouldn't be on the leading edge of innovative change.

And so good health care policy first has to make a philosophical decision. We have to make this decision: Where do we want

the decisionmakers to be? We want the decisionmakers to be right—these people right up here. This is the best health care plan, is when the small-business owners are involved in the market, making decisions best for their employees. The best health care plans are those in which people have control over the decisionmaking process. We've got to trust people to manage their own health care plans.

You heard me talk about homeownership. An ownership society is one that not only encourages small-business ownership and homeownership, but it also encourages the ownership of your own health care plans so you're the decisionmaker. And that will help control the costs, which is a major issue as to whether or not our country remains a competitive place to do business and whether or not people who are looking for a job are able to find one.

I want to thank the entrepreneurs who are here. You're a living example of what is great about America, the fact that you are able to dream and work—[*applause*]. Thank you for being such responsible citizens. Thank you for following your dreams. And thank you for setting such a great example.

May God bless you and your families, and may God continue to bless our country. Thank you for coming.

NOTE: The President spoke at 10:37 a.m. at the U.S. Chamber of Commerce. In his remarks, he referred to former President Saddam Hussein of Iraq; and President Vladimir Putin of Russia.

Message on the Observance of Saint Patrick's Day, 2004

March 16, 2004

I send greetings to those celebrating St. Patrick's Day.

On March 17th, we honor the remarkable life of Patrick, patron saint of Ireland. He helped bring Christianity to the Irish people. His generosity and love of liberty shaped Ireland's history and culture, and through generations of immigrants, those values have helped shape America.

We are grateful for the many ways Irish-Americans have blessed our country. They have helped to expand our economy, create