

the scope of the national emergency was expanded in order to deny monetary and material support to the repressive Cuban government, which had taken a series of steps to destabilize relations with the United States, including threatening to abrogate the Migration Accords with the United States and to close the United States Interests Section.

Therefore, in accordance with section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)), I am continuing for 1 year the national emergency with respect to Cuba and the emergency authority relating to the regulation of the anchorage and movement of vessels set out in Proclamation 6687, as amended and expanded by Proclamation 7757.

This notice shall be published in the *Federal Register* and transmitted to the Congress.

George W. Bush

The White House,
January 10, 2006.

[Filed with the Office of the Federal Register, 11:53 a.m., January 11, 2006]

NOTE: This notice was released by the Office of the Press Secretary on January 11, and it was published in the *Federal Register* on January 12.

Letter to Congressional Leaders on Continuation of the National Emergency Relating to Cuba and of the Emergency Authority Relating to the Regulation of the Anchorage and Movement of Vessels

January 10, 2006

Dear Mr. Speaker: (Dear Mr. President:)

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the *Federal Register* and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent to the *Federal Register* for publication the enclosed notice, which states that the emergency declared with respect to the

Government of Cuba's destruction of two unarmed U.S.-registered civilian aircraft in international airspace north of Cuba on February 24, 1996, as amended and expanded on February 26, 2004, is to continue in effect beyond March 1, 2006.

Sincerely,

George W. Bush

NOTE: Identical letters were sent to J. Dennis Hastert, Speaker of the House of Representatives, and Richard B. Cheney, President of the Senate. This letter was released by the Office of the Press Secretary on January 11.

Remarks on the War on Terror and a Question-and-Answer Session in Louisville, Kentucky

January 11, 2006

The President. Thank you all. Please sit down. I think I will. Bad view. [*Laughter*] Thanks for having me. What I thought I'd do is maybe make some opening comments and answer any questions you got. I probably can't stay here all day, since I've got a job to do, but I'm interested in your opinions and your point of view.

I hope the questions are broader than the war on terror—if you want, you can ask me anything you want. We got an economy that's going good, and perhaps you want to know what we're going to do to keep it growing. You know, we got a health care system that needs reform. We got an energy problem in the United States. I mean, there's a lot of issues that I'd be more than happy to talk about.

I do want to talk about how to secure this country and keep the peace. Before I do, I want to thank Joe. He stole my line "Reagan-Bush"—[*laughter*]. It was going to work just fine, until he took it. [*Laughter*] But thank you for setting this up. Thanks a lot for the sponsors. I appreciate you all taking time out of your day, and I appreciate your interest.

Before I begin, I do want to say I married well. I'm sorry the First Lady isn't with me. She is a heck of a person. I love her dearly, and she sends her very best to our friends here in Louisville, Kentucky.

I thank the Governor for being here, and the Lieutenant Governor. And I want to thank your mayor. The mayor showed me a pair of cufflinks that my dad gave him when he was the President and the mayor was the mayor. [Laughter] It looks like the mayor is going to outlast both Bushes. [Laughter]

I also want to thank Congresswoman Anne Northup. I call her a friend because she is one. She brings a lot of dignity to the halls of the United States Congress. I'm sure there are some folks here who don't necessarily agree with the party she's picked, and that's okay. But one thing you've got to agree with is she's honest; she's capable; and she's a decent, honorable soul. And I appreciate you. I want to thank Ron Lewis. He's a Congressman from Kentucky as well. And you let somebody slide across the border in Congressman Mike Sodrel. I appreciate both the Congressmen being here as well. I'm looking forward to working with you in the year 2006. We've got a lot to do.

Let me—I wish I didn't have to say this, but we're still at war, and that's important for the citizens of this Commonwealth to understand. You know, no President ever wants to be President during war. But this war came to us, not as a result of actions we took—it came to us as a result of actions an enemy took on September the 11th, 2001. And I vowed that day, starting when I was in Florida and got on the airplane to head across the country, that I would use everything in my power—obviously, within the Constitution—but everything in my power to protect the American people. That is the most solemn duty of Government, is to protect our people from harm.

And I vowed that we'd find those killers and bring them to justice, and that's what we're doing. We're on the hunt for an enemy that still lurks. I know because I'm briefed on a daily basis about the threats that face the United States of America. And my duty is to assess this world the way it is, not the way we'd like it to be. And there's a danger that lurks—and there's a danger that lurks because we face an enemy which cannot stand freedom. It's an enemy which has an ideology that does not believe in free speech, free religion, free dissent, does not believe

in women's rights, and they have a desire to impose their ideology on much of the world.

Secondly, after September the 11th, not only did I vow to use our assets to protect the people by staying on the offense, by defeating an enemy elsewhere so we don't have to face them here at home, I also said that, "If you harbor a terrorist, if you provide safe haven to a terrorist, you're equally as guilty as the terrorist." And I meant it. And the Taliban in Afghanistan—a barbaric group of individuals who suppressed women, suppressed religious freedom, suppressed young girls—had harbored these terrorists. They provided safe haven. These folks were there plotting and planning a vicious attack against the United States of America in a safe haven called Afghanistan.

And so we took action. We took action because the Taliban refused to expel Al Qaida. And we took action because when an American President says something, he better mean it. In order to be able to keep the peace, in order to be able to have credibility in this world, when we speak, we better mean what we say, and I meant what we said. And we sent some brave souls into Afghanistan to liberate that country from the Taliban.

I also said, after September the 11th, that oceans no longer protected us. You know, when I was growing up, or other baby boomers here were growing up, we felt safe because we had these vast oceans that could protect us from harm's way. September the 11th changed all that. And so I vowed that we would take threats seriously. If we saw a threat, we would take threats seriously before they fully materialized, and I saw a threat in Saddam Hussein.

I understand that the intelligence didn't turn out the way a lot of the world thought it would be. And that was disappointing, and we've done something about it. We've reformed our intelligence services. But Saddam Hussein was a sworn enemy of the United States. He was on the nations-that-sponsor-terror list for a reason. I didn't put him on the list; previous Presidents put him on the list. And the reason why is because he was sponsoring terrorism. He was shooting at our airplanes. He had attacked his own people with chemical weapons. I mean, the guy was a threat.

I went to the United Nations—some of you were probably concerned here in Kentucky that it seemed like the President was spending a little too much time in the United Nations. But I felt it was important to say to the world that this international body that we want to be effective, spoke loud and clear not once, but 15-odd times to Saddam Hussein—said, “Disarm. Get rid of your weapons. Don’t be the threat that you are, or face serious consequences.” That’s what the international body said. And my view is, is that in order for the world to be effective, when it says something, it must mean it.

We gave the opportunity to Saddam Hussein to open his country up. It was his choice. He chose war, and he got war. And he’s not in power, and the world is better off for it.

The hardest decision I made as your President is to put troops into harm’s way because I understand the consequences. I see the consequences when I go to the hospitals. I see the consequences when I try to comfort the loved ones who have lost a son or a daughter in combat. I understand that full—firsthand: War is brutal. And so I didn’t take the decision lightly. Now that I’ve made the decision, we must succeed in Iraq. I’ve tried to explain to my fellow citizens, I can understand folks who said, “I wish you hadn’t done that. We don’t agree with your decision.” Now that we’re there, in my humble opinion, we have got to succeed.

I said I’d try to be short and answer your questions. I’m getting a little windy. [*Laughter*] But let me talk real quick about the goals in Iraq. The goal is victory, nothing short of victory. When you put these kids in harm’s way, we owe them the best equipment, the best training, and a strategy for victory. And victory is a country that—where the Saddamists and the terrorists can’t unwind the democracy. Victory is when Iraq is no longer a safe haven for the terrorists. Victory is—will be achieved when the Iraqis are able to defend their democracy.

In the last couple of weeks, I’ve been talking about the strategy to achieve victory. It’s one thing to say we want victory; the other thing is, can you get there? And the answer is, absolutely, we can get there. And the strategy is threefold. One, there’s a political strategy. First, let me make sure you understand

the enemy. The enemy is, in our judgment, my judgment, three types of people. One, we call them rejectionists—these are Sunnis who had privileged status under Saddam Hussein, even though they were in the minority in the country. They had a pretty good deal because the tyrant was a Sunni and made sure that the Sunnis got special treatment, as opposed to the Shi’a or the Kurds. And they liked that kind of special treatment. They liked privileged status.

The second group is the Saddam loyalists. These are the thugs and people that basically robbed the country blind, and not only had privileged status but they were the all-powerful. And needless to say, they don’t like it with their man sitting in prison and them no longer being able to exploit the people of Iraq. They’re irritated.

Finally, the third group, and this is a dangerous group—it’s Al Qaida and its affiliates. A guy named Zarqawi is the chief operating officer in Iraq on behalf of Al Qaida. Al Qaida has made it very clear their intentions in Iraq, which is to drive the United States out so they will have a base from which to operate to spread their ideology. That’s what they have said. This is what Mr. Zawahiri said. It’s important for those of us involved in trying to protect you to take the enemy seriously, to listen to their words closely. In other words, Al Qaida has made Iraq a front in the war on terror, and that’s why we’ve developed a strategy for victory.

The first part of it is to have a political process that marginalizes the rejectionists and isolates the dissenters. And it’s happening. Under any objective measurement, what took place last year in Iraq was remarkable, when you think about it. This country is a country that lived under the brutal dictatorship of Saddam Hussein, and last year they had elections for a Transitional Government. They wrote a Constitution and got the Constitution approved, and then had elections for a permanent Government under the new Constitution—all in one year. And every election had more participants. And most importantly, in the last election, the rejectionists who had sat out the first couple of elections—many Sunnis had sat out; they said, “We’re not going to be involved in the political process”—got involved. Slowly but

surely, those who were trying to stop the advance of democracy are becoming marginalized.

Secondly, this is a country, obviously, that has got brutal action—this enemy we face has got no conscience. They will kill innocent people in a heartbeat in order to achieve their objectives. And it's hard for Americans to deal with that. I understand that. It's hard for me to believe that there is such brutality in the world where people going to a funeral to mourn the dead, and a suicider shows up and kills people. It's hard for me to believe that we've got soldiers passing out candy to young kids, and a killer comes and kills the kids and the soldiers. It is beyond the imagination of most Americans, but it should say something about this enemy. They will go to no ends to defeat us, but they can't beat us on the battlefield. The only thing they can do is create these brutal scenes.

And they're trying to drive us out of Iraq, as I mentioned. And the best way to deal with them is train Iraqis so they can deal with them. And that's what's happening. There are two aspects of our training. And, listen, the training hasn't gone smoothly all the time. I mean, this is a war. And you're constantly adjusting your strategies and tactics—not strategies—tactics on the ground to meet an enemy which is changing.

And so the army is getting on its feet. We've turned over a lot of territory to the army. And they're good fighters; they really are. I spent a great deal of time with General Abizaid and General Casey—they were in Washington this past week—these are generals, you'd be happy to hear, who tell me the way it is, not the way they think I would like it to be. I can't tell you how good the caliber of our military brass and those in the field, by the way, all the way up and down the line, are good—they are good people. [*Inaudible*—better trained, not just numbers. I'm talking about capacity to take the fight and stay in the fight. And as I've said, as the Iraqis stand up, we'll stand down. So the strategy, the security strategy is to let the Iraqis do the fighting. It's their country. The people have shown they want democracy—millions voted. And now part of the mission is to give this Government a security force

which will help fight off the few who are trying to stop the hopes of the many.

One of the places where we've lagged is training police. There are three types of police. There's a national police force, kind of like a SWAT team, a national SWAT team, that can move—they're pretty well trained. They need some human rights training. In other words, part of the problem in Iraq is you've got people that are plenty irritated at what took place in the past, and they're going to use their positions of power to take revenge. You can't have a democracy in which the police don't enforce the rule of law but enforce their view of revenge. And so you got ethics training, rule of law training, all done by good troops who are embedded, who are side by side with this Iraqi police force. And it's getting better; it really is.

Secondly, you've got the Border Patrol. The reason why the border is necessary is because there's suiciders coming in from Syria into Iraq. And the Iraqis have got to be able to enforce their border in order to be able to protect their democracy.

And thirdly, you've got local police, and we're lagging in the local police. And the local police—it's just that, local. And so what we're going to do is use what worked in the Balkans and embed people in the local police units to teach them how to—effective enforcements of the law. And so, 2006 you're going to see a lot of police training and a lot of police focus.

Finally, there's the economic and reconstruction front. We started up grand projects in Iraq when we first got there, said we're going to build some grand projects. It turns out, a more effective use of reconstruction money was localized projects to empower those who were willing to take a risk for democracy with the capacity to say, "Follow me, your life is going to be better." By the way, democracy works in Iraq just like it does here—you're going to vote for somebody who thinks that they can bring character to the office and they're going to help your life. Same anywhere else. You're out there campaigning; they want to know what are you going to do for me. And so part of the reconstruction effort was to focus on local reconstruction projects.

The Iraqi economy has got a great chance to succeed. They got oil and gas revenues. They had been having trouble getting some oil and gas revenues up to the levels we anticipated because of the infrastructure damage—done by Saddam Hussein, by the way—and because the terrorists, every time there's some progress, tend to blow things up. Now, having said that, they got these surveys—and I must confess I'm not much of a survey guy, but they got them—and most Iraqis are optimistic about the future. And as I said yesterday, they're willing to live with intermittent darkness, as opposed to the darkness—and freedom—as opposed to the darkness of tyranny. That's what you're seeing.

But this economy is going. Small businesses are flourishing. They got a—they had to deal with gasoline subsidies. Saddam Hussein, in order to make sure people kept him around and thought he was all right—they didn't have much choice, by the way, because he had a force behind him—but nevertheless, he subsidized gasoline, which meant a lot of the central budget was going for subsidization of fuel, as opposed to education and health. And so the new Government made a difficult decision, they started floating that price of gasoline up a little higher, to take the pressure off their budget and to introduce markets, market-based forces into the economy.

It's not going to happen overnight. You can't go from a tightly controlled economy to an open market overnight, but it's happening. In other words, the Government is making difficult choices to help the entrepreneurial spirit begin to flourish.

And so things are good. I'm confident we'll succeed. And it's tough, though. The enemy has got one weapon—I repeat to you—and that's to shake our will. I just want to tell you, whether you agree with me or not, they're not going to shake my will. We're doing the right thing.

A couple of quick points, then I'll answer your questions. You hear a lot of talk about troop levels. I'd just like to give you my thinking on troop levels. I know a lot of people want our troops to come home—I do too. But I don't want us to come home without achieving the victory. I mentioned to you—[*applause*]
—we owe that to the mothers and

fathers and husbands and wives who have lost a loved one. That's what I feel. I feel strongly that we cannot let the sacrifice—we can't let their sacrifice go in vain.

Secondly, I—these troop levels will be decided by our commanders. If you run a business, you know what I'm talking about when I say—it's called delegating. You count on people to give you good advice. The best people to give any politician advice about whether or not we're achieving a military objective is the people you put out there on the ground. I told you I've got good confidence in these generals and the people who report to them. These are honest, honorable, decent, very capable, smart people, and they'll decide the troop levels. They hear from me: Victory. And I say to them, "What do you need to achieve victory?"

I don't know if you've noticed recently, but we're beginning to reduce presence in Iraq based upon the recommendation of our commanders. We've gone from 17 to 15 battalions. We kept up to about 60,000—160,000 troops in Iraq for the elections. We held over about 25,000 or so on a—that were to rotate out—to help in the elections. Those 25,000 are coming back, plus the reduced battalions. And people say, "Well, how about more for the rest of the year?" And the answer to that is, I'm going to do what they tell me to do. And that depends upon the capacity of the Iraqis to help us achieve victory.

And why is victory important? Let me just conclude by this point. You know, it's hard for some to—in our country to connect the rise of democracy with peace. This is an ideological struggle, as far as I'm concerned, and you defeat an ideology of darkness with an ideology of light and hope. History has proven that democracies yield the peace. If you really look at some of the past struggles where—in which the United States has been involved, the ultimate outcome, the final product, was peace based upon freedom. Europe is whole, free, and at peace because of democracy.

One of the examples I like to share with people in order to make the connection between that which we're doing in Iraq today, and laying—what I call, laying the foundation of peace, is my relationship with Prime Minister Koizumi of Japan. And the reason I like

to bring up this story is I find it amazing that my dad—old Number 41—at the age of 18, fought the Japanese. They were the sworn enemy of the United States. Many in this audience, I know, had relatives in that war. They were the bitter enemy. They had attacked us, just like we were attacked on September the 11th. People in America said, “We’ll do everything we can to defeat this enemy,” and thousands of people lost their lives.

Laura and I were over in the Far East recently. I was sitting down at the table with the Prime Minister of our former enemy talking about how to keep the peace. We were talking about the spread of democracy in Iraq and in the Middle East as a way to counter an ideology that is backwards and hateful. We were talking about North Korea, how to keep the peace on the Korean Peninsula.

Isn’t it amazing—at least it is to me—that some 60 years after an 18-year-old fighter pilot joined the Navy to fight the Japanese, his son is talking with the Prime Minister of the former enemy about keeping the peace. Something happened. And what happened was, Japan adopted a Japanese-style democracy. Democracies yield the peace. And I firmly believe, I firmly believe that years from now people are going to look back and say, “Thank goodness the new generation of Americans who rose to the challenge of a war against terror had faith in the capacity of freedom to help change the world.” And someday, an American President is going to be talking to a duly elected leader from Iraq, talking about how to keep the peace for a generation to come.

I want to thank you all. That is the definition of a short speech. [Laughter] Probably hate to hear a long one. [Laughter] All right, I’ll answer some questions. Start us off.

Progress in the War on Terror/ Democracy

Mr. Joe Reagan. Mr. President, thank you very much. As I told you, we’d like to have some tough and challenging questions—

The President. —Washington, DC, press conference?

Mr. Reagan. I thought you’d be at home here with that. We do want to keep these questions respectful, and we really do thank

you for making the time to share this dialog with us—we really do.

You’ve talked a lot about history. In your State of the Union after September 11th, you defined this war as a war on terror. In history, our parents’ generations had V–E Day and V–J Day. And in our time, we’ve seen the fall of the Berlin Wall and the end of the cold war. If you define this as a war on terror, will there ever be a V–T Day? And, if not, what do you need to do to prepare us to be able to go the duration?

The President. I also said that this is a different kind of war, the kind of war we’ve never faced before. We’re not facing a nation-state per se; we’re facing a shadowy network of people bound together by a common ideology that—by the way, the enemy knows no rules of war. They just—they kill innocent people.

And so, you’re right, I did say it’s a war. It’s the first war of the 21st century, but I’ve been emphasizing it’s a different kind of war. So I don’t envision a signing ceremony on the U.S.S. *Missouri*. As a matter of fact, this is a war in which the enemy is going to have to be defeated by a competing system in the long run.

The short-term objective is to use our intelligence and our allies to hunt these people down. And we’re getting—we’re doing it. And we’re on the—we got brave, brave souls, who, every single day, are trying to find the Al Qaida leadership and the network. We’re doing—we’ve done a good job so far. If Usama bin Laden were the top guy, and Mr. Zawahiri—he was the person that put out the strategy, by the way, for Al Qaida, for everybody to see. I don’t think he put it out for everybody to see. It just happened to be exposed for everybody to see eventually. But Abu Zubaydah, Khalid Sheikh Muhammad—there’s a series of chief operators who are no longer a threat to the United States. I mean, we are dismantling the operators. And when we find them, we bring them to justice as quickly as we can.

That’s the short-term strategy. There’s also the strategy of making it clear, if you harbor a terrorist—the short-term strategy of dealing with threats before they come to hurt us—I say, before they fully materialize. One of the lessons of September the 11th is, when

you see a threat out there, you can't assume that it's not going to come to our shore anymore. And so we've got to deal with it.

Obviously, the best way to deal with these kinds of threats is diplomatically. We're doing so in Iran. If somebody has got a question on Iran, I'll be glad to answer it in a minute. But that's what we're trying to get done. The military option is always the last option. The long-term victory will come by defeating the hopelessness and despair that these killers exploit with a system that is open and hopeful, and the only such system is a free system.

And I have got faith in the capacity of people to self-govern. Now, there is a point of view in this world by some that say, "Well, maybe certain kind of people can't self-govern"—which, by the way, was the attitude of some right after World War II—"The enemy can't possibly self-govern." The attitude was somewhat blinded by the fact that we were so angry at the Japanese that no one could see a hopeful tomorrow for them.

I believe everybody desires to be free. That's what I believe, and I believe everybody has the capacity to self-govern. I'm not—never have I said nor do I believe that we are trying to impose our style of democracy on another country. It won't work. Each country has got its own cultures and own history and own tradition, and they ought to have their own style of democracy. But I do know that tyrants breed resentment and hatred. And I do know that if a person is—if they want to be free and not allowed to express their belief, it causes resentment, the breeding grounds for a terrorist movement which exploits the unsettled attitudes of the people.

So, in other words, it's not going to be that kind of—it's not the kind of war that you talked about earlier, and so the peace won't be the kind of peace that we're used to.

Thank you. Good question. Okay.

NSA Wiretaps/PATRIOT Act

Q. I'd like to ask, recently in the media, you've been catching a lot of flak about that National Security Agency thing.

The President. Yes.

Q. There's people in our States and there's people that are in DC that will take and jeop-

ardize what I feel is our national security and our troops' safety today for partisan advantage, for political advantage. They're starting an investigation in the Justice Department about the—looking into this, where these leaks came from. Is the Justice Department going to follow through and, if necessary, go after the media to take and get the answers and to shut these leaks up?

The President. First, let me talk about the issue you brought up, and it's a very serious issue. I did say to the National—it's called the NSA, National Security Agency, that they should protect America by taking the phone numbers of known Al Qaida and/or affiliates and find out why they're making phone calls into the United States, and vice versa. And I did so because the enemy still wants to hurt us. And it seems like to me that if somebody is talking to Al Qaida, we want to know why.

Now, I—look, I understand people's concerns about Government eavesdropping, and I share those concerns as well. So obviously I had to make the difficult decision between balancing civil liberties and, on a limited basis—and I mean limited basis—try to find out the intention of the enemy. In order to safeguard the civil liberties of the people, we have this program fully scrutinized on a regular basis. It's been authorized, reauthorized many times. We got lawyers looking at it from different branches of Government.

We have briefed the leadership of the United States Congress, both Republican and Democrat, as well as the leaders of the intelligence committees, both Republicans and Democrats, about the nature of this program. We gave them a chance to express their disapproval or approval of a limited program taking known Al Qaida numbers—numbers from known Al Qaida people—and just trying to find out why the phone calls are being made.

I can understand concerns about this program. Before I went forward, I wanted to make sure I had all the legal authority necessary to make this decision as your President. We are a rule—a country of law. We have a Constitution, which guides the sharing of power. And I take that—I put that hand on the Bible, and I meant it when I said I'm going to uphold the Constitution. I also mean

it when I'm going to protect the American people.

I have the right as the Commander in Chief in a time of war to take action necessary to protect the American people. And secondly, the Congress, in the authorization, basically said the President ought to—in authorization of the use of troops—ought to protect us. Well, one way to protect us is to understand the nature of the enemy. Part of being able to deal with this kind of enemy in a different kind of war is to understand why they're making decisions they're making inside our country.

So I want to thank you for bringing that up. There will be a lot of hearings and talk about that, but that's good for democracy—just so long as the hearings, as they explore whether or not I have the prerogative to make the decision I made doesn't tell the enemy what we're doing. See, that's the danger.

The PATRIOT Act is up for renewal. That's another piece of legislation which is important to protect. Do you realize that the PATRIOT Act has given our FBI and intelligence services the same tools of sharing information that we have given to people that are fighting drug lords? In other words, much of the authorities that we ask for in the PATRIOT Act to be able to fight and win the war on terror has already been in practice when it comes to dealing with drug lords. And I can't tell you how important it is to reauthorize the legislation.

There's a lot of investigation, you're right, in Washington—which is okay. That's part of holding people to account in a democracy. But at one point in time the Government got accused of not connecting the dots. You might remember that debate—we didn't connect the dots. And all of a sudden, we start connecting the dots through the PATRIOT Act and the NSA decision, and we're being criticized. Now, you know, I got the message early: Why don't you connect dots? And we're going to. And we're going to safeguard the civil liberties of the people. That's what you've got to know.

That was a great question, thank you for asking it. I'm going to avoid the part on the press. *[Laughter]*

Threat of Terrorism/Separation of Church and State

Q. Mr. President, we hear a common expert opinion all the time that the terrorists are going to attack us—it's not a question of whether; it's a question of when. And, yes, that might happen. But the facts are that since 9/11, we haven't had any, so thank you.

And now to my question. You have said many a time to all those who will listen that the two major pillars of democracy are free and fair elections and the separation of church and state. However, historically and to date, a vast majority of the Islamists across nations do not believe in that simple fact of separation between church and state. Therefore, how can we help change their belief, that for democracy to succeed, certain elements must be in place? Thank you.

The President. It's a great question. First, let me say that the enemy hasn't attacked us, but they attacked others. Since September the 11th, there have been multiple attacks around the world. These guys are active. You might remember Beslan, an attack on Russian schoolchildren, just killed them coldblooded. I remember going to the G-8, and there were the attacks in London. You know, there's—are they Al Qaida, not Al Qaida? These are people that are inspired, at the very minimum, by Al Qaida. The enemy is active. They are. And we're just going to do everything we can to protect you.

Look, there have been—when you think about the Far East, democracy didn't exist for a long period of time. And so principles, such as separation of church and state, were foreign to a lot of people where democracy doesn't exist, until democracy begins to exist, and then it becomes a logical extension of democracy.

I made a foreign policy decision in the Middle East that said, "We can't tolerate the status quo any longer for the sake of inexpensive energy." In other words, there was a period of time when people said, "Let's just kind of deal with the situation as it is," sometimes tolerating strong men for a economic objective. I changed our foreign policy that said, that attitude of kind of accepting the things the way they are is going to lead to the conditions that will allow the enemy to

continue to breed hatred and find suiciders and soldiers in their attempt to do harm.

What I'm telling you is, is that the part of the world where we've started this democracy initiative hasn't known democracy, except for in Israel and Lebanon. So to answer your question, it's going to be the spread of democracy, itself, that shows folks the importance of separation of church and state. And that is why the Constitution written in Iraq is an important Constitution, because it separates church and state for the first time in a modern-day constitution in Iraq.

The Iraqi example is going to spread. I believe that—one of the big issues in the Middle East is women's rights, the freedom of women, that they're not treated fairly. And yet, when you're guaranteed rights under a Constitution and people are able to see that life is improving, it will cause others to say, "I want the same kind of right."

Part of our strategy in order to keep the peace is to encourage the spread of democracy, and the enemy understands that. The enemy knows that a democracy, as it spreads, will help deal with issues such as the separation of— it will encourage the separation of church and state, will encourage women to rise up and say, "We want to be treated equally," will mean that mothers will be able to have confidence that their young daughter will have an opportunity to achieve the same as a young son. And those thoughts frighten the enemy. It's hard to believe, but it does.

So to answer your question, concepts that we take for granted in democracy are foreign because the system of government has yet to take hold. But when it takes hold, it will become—people will begin to understand the wisdom of that part of the democratic process.

Let's see, let me—kind of searching around. Yes, sir?

Immigration/Mexico-U.S. Border

The President. *Hola—en Mexico?*

Q. Monterrey. We went for Christmas, to spend Christmas with my family in Mexico. And, you know, my family, friends, media, President Fox, they're talking about the wall that the United States wants to build across the border with Mexico. My question for you is, what is your opinion or your position about

that wall? And, you know, when people ask me how can I justify the answer to build a wall, other than saying, "We don't want you here," you know?

The President. Yes, great question.

Q. Thank you.

The President. His question is on immigration. Let me talk about immigration. We have an obligation to enforce our borders. There are people—[*applause*—hold on—let me just—save it for a full answer. [*Laughter*]] And we do for a lot of reasons. The main reason is security reasons, seems like to me. And security means more than just a terrorist slipping in. It means drugs. The mayor was telling me that there's a lot of crime around the country—he's been studying this—because of drug use. And who knows if they're being smuggled in from Mexico, but drugs do get smuggled in. So it's a security issue. It's more than just the war on terror security issue. It's the issue of being able to try to secure the lifestyle of our country from the use of drugs, drug importation, for example. A lot of things get smuggled across. Generally, when you're smuggling something, it's against the law. So we have an obligation of enforcing the border. That's what the American people expect.

Now, you mentioned wall. The intent is to use fencing in some areas, particularly in urban centers, where people have found it easy to cross illegally into the country. It is impractical to build a wall all the way up and down the border. Look, I was the old Governor of Texas—you can't build a wall up and down the entire length of the border of the United States. But you can find those border crossing points in high urban areas and use some construction. You can be able to put berms up in order to prevent people from smuggling people across the border. There are ways to use electronics to be able to help our Border Patrol agents detect people who are illegally coming into the country. And we're getting—we're kind of modernizing the border, I guess is the best way to put it.

I mean, there is an electronic wall, to a certain extent, on parts of our border where there may be an unmanned drone flying along that radios to a Border Patrol center that says, "Hey, we've got people sneaking

across illegally; find them.” The second aspect—and so we are going to enforce the border as best as we possibly can. It’s our duty.

Secondly, one of the problems we’ve faced is that people get stopped, and they get let back out in society and say, “Come on back for your hearing.” But guess what? They don’t come back for the hearing. That’s the catch-and-release. And we’re trying to change that, particularly for those from Central America who’ve come up from Central America through Mexico and the United States.

The reason most people come is to work. I always have said that family values do not stop at the Rio Grande River. There are some jobs Americans will not do that are being filled by people who want to feed their families. And that’s what’s happening. And my attitude about that is, is that when you find a willing worker and a company who can’t find an American to do the job, there ought to be a legal way, on a temporary basis, to fill that job.

And so let me finish real quick. It is compassionate—by the way, it is important to enforce the border. President Fox understands he’s got to enforce his border in the south of Mexico, by the way, from people coming up from the south. It is compassionate to recognize why most people are here, and they’re here to work.

It also makes sense to take pressure off the border by giving people a legal means, on a temporary basis, to come here, so they don’t have to sneak across. Now, some of you all may be old enough to remember the days of Prohibition. I’m not. [Laughter] But remember, we illegalized whisky, and guess what? People found all kinds of ways to make it and to run it. NASCAR got started—positive thing that came out of all that. [Laughter]

What you’re having here is, you’ve created a—you’ve made it illegal for people to come here to work, that other Americans won’t do, and guess what has happened? A horrible industry has grown up. You’ve got folks right here in Kentucky who are hiring people to do jobs Americans won’t do, and you say, “Show me your papers,” and they’ve been

forged, and the employer doesn’t know about it.

Part of making sure that immigration policy works is, you hold employers to account. But how can you hold them to account when they’re being presented with forged documents? A whole forgery industry has grown up around this. We’ve got good, honorable people coming to work to put food on their tables, being stuffed in the back of 18-wheelers. We’ve got people being smuggled by what they call *coyotes* into the deserts and asked to walk across. And they’re dying because they’re trying to get to work, and they’re being mistreated. In other words, this underground industry is creating a human condition that any American wouldn’t accept. I mean, it’s just not right.

And so I think, yes, absolutely enforce the border but, at the same time, have a recognition that people are going to come here to work if an American won’t do the job, so let’s make it legal on a temporary basis. And I mean a temporary-workers’ card that’s tamper proof, that gives the employer satisfaction they’re not breaking the law, that says, “You can come here for a period of time, and you go home.”

Now, the big issue on this—besides enforcing the border—is amnesty. I am against amnesty. And the reason I am against amnesty—amnesty means automatic citizenship—I’m against automatic citizenship, in all due respect to others in our country that believe it’s a good thing. And I’m against it because all that, in my judgment, would do would cause another 8 to 11 million people to come here to try to be able to get the same—hopefully put the pressure on the system to create automatic citizenship. So I think the best solution is the one I just described. And it’s an issue that’s going to be important for the American people to conduct in a way that honors our values.

We value—every life is important. We hold everybody up to respect. We should, you know? But we’re going to enforce our laws at the same time. And I think you can do both in a compassionate way. I appreciate you asking that question. Thank you.

Yes, ma’am.

Education/No Child Left Behind Act

Q. President Bush, I've been an educator in five States for 36 years.

The President. Thank you.

Q. Thank you. Right up there with national security, I think, is the issue of education of every single person in the United States. It's of crucial importance to our future. And given the challenges in the world, the fact that we have to keep this Nation secure in the future and that we have to deal with all sorts of threats—many of which we don't know—what do you think we need to do better in education to provide a well-educated citizenry that will meet those challenges and keep us secure?

The President. No, I appreciate it. Listen, part of security is economic security. And one way to make sure we're economically secure in a competitive world is to make sure every child gets a good education. It's a huge issue for America to make sure the public school system functions.

First, let me just say, the public school system is important for our country, and we want it to work. The public school system in the past has provided an avenue for success, and we've got to make sure we continue to do so.

Let me start with grades K through 12. We passed what's called the No Child Left Behind Act. It is a really good piece of legislation—at least, in my humble opinion. And the reason why is, it says every child can learn, and we expect every child to learn. In other words, in return for Federal money—and we've increased spending for Title I kids up somewhere about 40-something percent, and elementary and secondary school programs gone up 41 percent—listen, I'm a local control guy. But I also am a results person, and I said we're spending a lot of money, particularly on poor kids. And I think it makes sense for the taxpayers to know whether or not those kids can read and write and add and subtract.

And so we said, "In return for receiving this money, you've got to test"—not the Federal Government is going to test—"You test. You design the test," Governors can figure out the right way to test, to determine whether or not children can read and write and add and subtract.

You can't solve a problem until you diagnose it. And I was worried—when I was the Governor of my own State, I was worried about a system that did not test. And so we were just kind of hoping things went well, and we're just going to shuffle through. And guess who gets shuffled through? Poor black kids get shuffled through. Young Latinos get shuffled through. You know, let's just kind of socially promote them. And so step one of making sure that the education system works is to measure to determine whether it is working.

Step two is to correct problems early, before it's late. And so part of the No Child Left Behind bill is supplemental services money, per child, to help a child get up to speed at grade level by the appropriate time.

Step three is to be able to use the accountability system to determine whether the curriculum you're using is working. I don't know if you've had these debates here in Kentucky, but I can remember them a while ago—we were debating what kind of reading instruction works, and it was a hot debate. Everybody had their opinion. The best way to determine what kind of reading program works is to measure to determine what kind of reading program works.

Four, you've got to have your parents involved in your schools. The best way—one good way to get your parents involved is to put the scores out there for everybody to see. It's amazing how many people go to schools and say, "Gosh, my kid is going to a fabulous school," until they see the score for the school next door may be better.

Step five is—on the accountability system is what we call disaggregate results. Do you realize in the old accountability systems, they didn't bother to look at the African American kids stand-alone? They just kind of looked at everybody and assumed everybody was doing good. That is not good enough for the future of this country. If we expect every child to learn, we got to measure every child and analyze whether or not those children are learning.

Step six is to make sure local folks run the schools. I can remember talking about No Child Left Behind. I saw a lot of my friends in Texas glaze over: "He's going to Washington, and he's going to change. He's going

to start telling us how to run the schools.” Quite the contrary. The No Child Left Behind Act actually devolves power to the local level. All we say is, “You measure. You show us. And if there’s something wrong, you figure out how to correct it.” You don’t want Washington, DC, telling people how to run their schools. And it’s working. No Child Left Behind is working.

And how do we know? Because we’re measuring. There’s an achievement gap in America that’s not right. And that’s wrong. Not enough African American 4th grade kids could read at grade level. But it’s increasing dramatically. Something is happening out there, thanks to good principals and good teachers and concerned parents and a system—and a system—that focuses on results. We’ve got to extend this to high schools.

Now, we’ve got a problem when it comes to math and science. Our kids test fine. Math and science 8th grade test lousy—math and science in high school—and that’s a problem. In my State of the Union, I’m going to address this. I’m going to hold a little back here. But in order for us to be competitive, we better make darn sure our future has got the skills to fill the jobs of the 21st century.

It was one thing in the past to go to a public school, become literate, and then go out there and make a living with your back. That’s not what’s going to happen in the next 30 or 40 years. We’ve got to have children that are Internet savvy. We’ve got to have kids that are the best in science and engineering and math; otherwise, jobs are going to go to where the workforce is that got those skills. And that’s the real challenge facing us.

Fantastic question. Thanks. I’m pandering, I know, but it is really one of the most important challenges we face.

And I’m looking forward to working with Congress to, one, build on No Child Left Behind. I will refuse to allow any weakening of accountability. I remember people saying to me, “It’s racist to measure.” I’m telling you, it’s racist not to measure. That’s what I think. They say, “You’re teaching the test”—I’m telling you if a child can read, it can pass a reading comprehensive test. And so accountability coupled with a smart use of resources to focus on math and science, I think, is the proper strategy to help deal

with an issue that is an important issue for the future of this country.

Yes, ma’am.

National Economy/Social Security Reform

Q. Hello, Mr. President. You just made a very poignant—about math and science. I am a—number one, I’d like to thank you for taking time to be here. I think all of us would reiterate that. I am a businessowner, and I am living the American Dream. And I would like to personally thank you for having a will that will not be broken, and the men and women of the Armed Forces that protect the freedoms that we have had and that we oftentimes take for granted and give us this way of life.

So as a businessowner, though, my greatest challenge is, I worked 20 years in the civil engineering arena before starting my companies. And the thing that is really frightening to me is our—we have a true weakness, a wave that’s coming in both the engineering arena, the sciences, as well as construction—construction inspectors. There’s going to be a huge—these baby boomers that are starting to retire, that knowledge base that’s getting ready to go away, and there is no one to replace it that’s compelling enough. What could you suggest that corporate America can do to help in this deficit?

The President. No, I appreciate it. First, thanks for owning your own business. I love being the President of a country where people can—I’m not saying you started with nothing, but, you know, have a dream and end up with owning your own business. As a matter of fact, the small-business sector of America is really the job creators of America. Things are going good when it comes to job creation, 4.5 million new jobs since April of 2003. A lot of it has to do with the fact that the entrepreneurial spirit is strong and vibrant and alive.

Corporate America—big corporate America does a good job of training people. It’s in their interest. It would be helpful if they didn’t have to spend so much time on training people by having a literate workforce to begin with—literate in math, literate in science, literate in all different aspects of

what is going to be necessary to fill the skill base of the 21st century.

One of my initiatives, and one that I hope you're taking advantage of here in Kentucky, is the use of the community college system. The community college system is really an interesting part of our education network and fabric because the community colleges are available—in other words, they're plentiful. They are affordable, relative to the different kinds of higher-education institutions. And interestingly enough, I'd like to describe them as they're market-driven, if run properly. In other words, their curriculum can adjust.

And what you want is a community college system that works with the local industry and says—just take the health care industry. You know, we need a certain type of nurse practitioner, for example. Or we need x-ray technologists, or whatever. And that you have a community college system that will help design the system that will enable a person to go from one industry to the next, where there's a bright future. So a lot of job training to make sure that people have the skills that you're talking about, they are transferable and trainable skills. But there needs to be the place where they can find those skills, particularly those who have already gotten out of college.

Do you realize that between age 18 and 38, it's estimated that a person will change jobs 10 times, coming down the future, which means that there's a lot of activity in our economy, a lot of vibrancy. But the danger is, is that people aren't going to have the skills that fill the jobs that keep us competitive. And the community college system is a wonderful opportunity. The Federal Government can provide job training grants, which we do, 125 million last budget cycle—I'm asking for the same this budget cycle, if you don't mind, Members of Congress. *[Laughter]*

Let me talk about small businesses real quick. In order for America to be competitive, not only do we need a skilled workforce, we've got to have certainty in our Tax Code. In order to get this economy going out of a recession and a stock market collapse and scandals, I had called upon Congress, and they delivered meaningful tax relief. The worst thing that could happen when you're

trying to plan your small business, or any business, is to wonder what the taxes are going to be like. You know, when old George W. leaves, are the taxes going to go—I mean, how do we plan for the future? I strongly urge the United States Congress, this year, to make all the tax relief we passed permanent.

People will say, "Well, how are you going to balance the budget?" Well, let me warn you that raising taxes doesn't necessarily equate to balancing budgets. As a matter of fact, in my judgment, if we raise the taxes, all that will mean is Congress will increase spending. The way to balance the budget is to set priorities and to hold people to account in Washington, which is what we're doing.

Now, the biggest increases in the budget, however, are not the discretionary accounts—they're what's called mandatory accounts. And that's the increase of Medicare and Social Security. And this is a big issue that I know you didn't ask me about, but I'm going to tell you anyway, my opinion. Because you mentioned baby boomer, and that happens to be me. And a lot of people like me, my age, are fixing to retire. I'm going to be 62 in 2008, which is a convenient year to turn 62. *[Laughter]* And a lot of them—and there are fewer people paying into the system. And the benefits I've been promised are going up faster than the rate of inflation. And we can't afford it, and we need to do something about it now.

One of the real drains and real threats to our economy is the inability of Congress to be able to confront the Medicare and Social Security issue, the unwillingness to take on the tough political job. I worked hard last year. I laid out a lot of solutions that I think will work. It didn't work. We've still got a problem. I'm going to keep talking about it. My job is to confront problems, as your President, and not just hope they go away. This one is not going away. And so we need to deal with the fact that a bunch of baby boomers are retiring with fewer workers paying into the system in order to make sure we're competitive, in order to make sure that we can balance the budgets.

Now, Congress took a good step in cutting mandatory spending by \$40 billion over the next years. And that's important. By the way,

that was just reforming the systems. It wasn't cutting meat out of the systems; it was reforming the systems so they work better. And then when you get back, you need to pass that—I know you will—in order to show the country that you've got the will necessary to take on the tough issues. And so, you didn't ask, and I told you. Anyway. [Laughter] Hope I can do something about it. I'm going to keep talking about it until we can get something done. It's really important. One of these days, more and more Americans are going to realize that the Congress has got to make something happen, otherwise we're going to pass on a disaster for our kids. And that's just the truth. And, you know, the truth wins out when it's all said and done. So don't be surprised if I keep talking about it.

Yes, sir, and then I'll get the little guy up there.

Health Care Reform

Q. Mr. President, we'd like to talk about health care a little bit.

The President. Okay.

Q. As a small-business owner, like a lot of people in this room, we look at the dramatic cost increase that has been passed along, and that we all really struggle with: How do we provide our employees with health insurance that's comprehensive? And we all view you as a very pragmatic problem solver, and we'd like you to take this one on, sir.

The President. Okay, I am. Thank you. Here's my view of the role of the Federal Government. The Federal Government needs to help the poor, and we do that through a program called Medicaid. I was just talking to the Governor today about how best to get the Medicaid program in Kentucky able to meet the needs, both budget needs, but more importantly, the social needs.

The Federal Government made a commitment when Lyndon Baines Johnson was the President that we would take care of the elderly when it came to health care, and that's why it was important to reform Medicare, to make sure the Medicare system was a modern system.

There's two different issues in Medicare. One is the long-term structural problem of

paying for Medicare as more baby boomers retire and fewer people paying in the system. But the short-term issue was to have a Medicare system that frankly was not modern enough. If you're going to make a commitment to your seniors, you've got to make sure the seniors have got modern medicine. And part of modern medicine was prescription drugs.

And so the new Medicare law that came into being in January of this year, for the first time incorporates prescription drug coverage available in Medicare, as a modernization of the system. The rest of the people ought to be encouraged to have affordable health care that really does put the consumer and the provider in touch with each other, I guess is the best way to put it. We need a more consumer-driven pricing mechanism in health care in order to be able to properly deal with the inflation you're talking about. One aspect of it is, people make purchases in the health care without really realizing there may be other options available to them.

We need to make sure we expand information technology. I am told—a lot of health care guys here can tell you—that the modernization of health care, when it comes to information technology, should save up to 20 to 25 percent of cost, as well as reducing a lot of medical errors. By that I mean, everybody ought to have an electronic medical record that you're able to transfer from provider to provider. You know, the day of a person carrying these thick files of medical paper, and most of the time it's hard to read because doctors can't write hardly at all, and—but it needs to be modernized. There's a lot of inefficiency, what I'm telling you, in the health care field, particularly when it comes to information sharing.

Thirdly, it seems like to me, and this is a—health care is a particular problem for small businesses, and I fully understand that. It's becoming an unmanageable cost, putting our CEOs of small businesses in the unfortunate position of saying, "I can't pay for you anymore."

Three ideas. First, health savings accounts, which is a new product passed as part of the new Medicare bill, which is an evolving product that enables a business and/or worker to be able to buy a catastrophic plan and put

the incidental costs of medicine into the plan on a tax-free basis. That's a lot of words. Look into it, is what I'm telling you. And I think Congress needs to expand HSAs and their use and their tax advantages, relative to corporate taxation when it comes to health care. Look at them. I'm not kidding you. Take a look at health savings accounts. Any small-business owner in Kentucky ought to be looking—and Indiana ought to be looking.

Secondly, we must allow small businesses to pool risk across jurisdictional boundaries. These are called association health plans. In other words, a restaurateur in Kentucky ought to be allowed to put his or her employees in the same risk pool as a restaurateur in Texas in order to be able to get the economies of sharing risk, just like big companies are able to do. These are called association health plans.

Thirdly, one of the reasons why the cost of medicine is going up and the availability of medicine is declining, particularly in specialty fields like ob-gyn, is because of lawsuits. Make no mistake about it, medical liability lawsuits is driving up the cost of your insurance. Now, when I went to Washington, I said, "This is a local issue. This is something the Governors ought to figure out how to solve," until I began to analyze the cost of lawsuits on the Federal budget. And those costs go up as a result of increased premiums and what's called the defensive practice of medicine. If you're living in a society that's got a lot of lawsuits and you're worried about getting sued, you're going to practice extra medicine to make sure that if you do get sued, that you can say in the court of law, "I did not only everything expected, I did double what was expected, Your Honor. I'm innocent."

So the defensive practice of medicine runs up the cost that you pay at the Federal level. And so I decided to do something about it and proposed a piece of legislation—it got out of the House, and I want to thank you all for passing it—that says, "If you're injured, you're going to be taken care of," but we're not going to let these frivolous lawsuits run up the cost of medicine. There ought to be reasonable limits. There ought to be reasonableness in the legal system so that the

small-business owner can get affordable health care.

And so there are three ideas that should address—I think it will address—your concerns. There is a philosophical struggle in Washington on this issue. There are some really decent people who believe that the Federal Government ought to be the decider of health care—not just for the elderly, not just for the poor, but for all people. I strongly disagree. I believe the best health care system is one in which there is a direct connect between provider and customer, where there is transparency in the pricing system, where there is an information system that is modern and flows, and in which people are held to account for medical errors but not to the point where the cost of medicine has gotten out of control. Good question.

Little guy, how old are you?

Public Support for the War on Terror/ Responsible Debate

Q. Seven.

The President. See. That's good. [*Laughter*]

Q. How can people help on the war on terror?

The President. Well, that's the hardest question I've had all day. [*Laughter*]

First of all, I expect there to be an honest debate about Iraq, and welcome it. People can help, however, by making sure the tone of this debate is respectful and is mindful about what messages out of the country can do to the morale of our troops.

I fully expect in a democracy—I expect and, frankly, welcome the voices of people saying, you know, "Mr. President, you shouldn't have made that decision," or, you know, "You should have done it a better way." I understand that. What I don't like is when somebody said, "He lied," or, "They're in there for oil," or, "They're doing it because of Israel." That's the kind of debate that basically says the mission and the sacrifice were based on false premise. It's one thing to have a philosophical difference, and I can understand people being abhorrent about war. War is terrible. But one way people can help as we're coming down the pike in the 2006 elections, is remember the effect that rhetoric can have on our troops in harm's

way and the effect that rhetoric can have in emboldening or weakening an enemy.

So that was a good question. Thank you.

Let's see, yes, ma'am. I'm running out of time here. You're paying me a lot of money, and I've got to get back to work. [Laughter]

Progress in Iraq

Q. Thank you for taking the time with us.

The President. I'm thrilled to be here.

Q. Along with the 7-year-old, my question is, how is it that the people of Iraq, when polled, have more hope about their future than the rest of the world has, with regard to what we're doing in Iraq? How can we get the positive things that are happening in Iraq—how can we get everybody to know what's happening out there?

The President. Well, I appreciate that question. And obviously, I've thought long and hard about it. Part of my job is to make sure and to keep explaining and explaining and explaining in as realistic a way as possible about why we're there and why it's necessary, in order to remind the American people about the stakes involved. That's why I've come here, for example.

You don't want your Government running your press. That would be the worst thing that could happen. That would mean we have just fallen prey to exactly that which we're trying to liberate people from in Iraq. And my own judgment is that action on the ground will win the day. I mean, results will ultimately trump kind of the short-term glimpse at things. So my job and the job of those of us in the administration, the job of those who have made the decision to go in there—not just me but Members of Congress that voted to support our military must continue to explain and keep the American people engaged.

I am not surprised that Iraqis feel more confident about the future than Americans do. They were the ones who lived under the tyrant. They were the ones whose families got gassed by his chemical weapons. They were the ones who, if they spoke out, were harassed by a police state. It must be a magnificent feeling to be liberated from the clutches of a tyrant.

Secondly, much of life is normal in Iraq. And you talk to people who go there, and

they come back and tell you that change is significant and palpable. People can see the difference; there's vibrancy. What we see, of course, is isolated incidents of terror. And as I mentioned earlier to you, it hurts—it hits our conscience. America is a wonderful country because we're a country of conscience. It bothers us to see not only our own troops die but it bothers us to see an Iraqi kid killed. That's the nature of our society; we don't treat life in a cavalier way. We believe in America—and it's one of the really beautiful things about America—that every life is precious. That's what we believe. And so I'm not surprised that there is a different attitude inside the country than our own.

Ultimately, here in America, success on the ground in Iraq—and I've defined what victory means before—will buoy the spirits of our people. And in the meantime, I've got to go to places like Louisville, Kentucky, and sit down and spend time giving it my best shot to describe to you my decision-making process, the philosophy behind which this Government is operating, and my optimism about our capacity to achieve our objective.

And my deep belief, my firm and deep belief is that the sacrifices being made today will inure to the benefit of our children and grandchildren. On the one hand, we have got to protect America, and we're working hard to do so. Every day you've got good citizens in your country making sacrifices to either find an enemy that's hiding somewhere or picking up information that we can use to protect us. In the long run, we have got to have faith in a great system of government that, over the ages, has proven to be the foundation for peace.

Listen, I want to thank you all for giving me a chance to come by. May God bless you all.

NOTE: The President spoke at 1:18 p.m. in the Kentucky International Convention Center. In his remarks, he referred to Joe Reagan, president and chief executive officer, Greater Louisville, Inc.; Gov. Ernie Fletcher and Lt. Gov. Stephen B. Pence of Kentucky; Mayor Jerry E. Abramson of Louisville, KY; former President Saddam Hussein of Iraq; Ayman Al-Zawahiri, founder of the Egyptian Islamic Jihad and senior Al Qaida associate; Gen. John P. Abizaid, USA, combatant commander, U.S. Central Command; Gen. George W.

Casey, Jr., USA, commanding general, Multi-National Force—Iraq; Usama bin Laden, leader of the Al Qaida terrorist organization; Abu Zubaydah, senior Al Qaida associate, who was captured in Pakistan on March 28, 2002; Khalid Sheikh Mohammed, senior Al Qaida leader responsible for planning the September 11, 2001, terrorist attack, who was captured in Pakistan on March 1, 2003; Prime Minister Junichiro Koizumi of Japan; and President Vicente Fox of Mexico.

Remarks Prior to a Meeting of Small-Business Owners and Community Leaders in New Orleans, Louisiana

January 12, 2006

It's good to be back in your city. I appreciate the Lieutenant Governor and Members of the United States Congress for being here as well. I particularly want to thank the small-business owners of New Orleans. I'm looking forward to hearing what you have to say about your traditions and your hopes, your frustrations. We all share the same goal, and that's to have this great city rise again, to be a shining part of the South.

I think this can be a better city, and to this end, I've done a couple of things. One, I appointed my friend Don Powell to be down here to help implement the strategy developed by the mayor and the Governor and Lieutenant Governor. In other words, I believe the best strategy for the rebuilding of New Orleans and the revitalization of the parishes around New Orleans is for the local folks to design the strategy and to have the Federal Government become a partner.

And I want to thank you for putting a committee together—I know you did, as well, Mitch. Powell's job is to come down and help interface and interact. I've told the people down here that the Federal Government has got a major role to play. So far we've appropriated or made available \$85 billion in relief along the gulf coast. About \$25 billion of that has been spent—there's \$60 billion in the pipeline, thanks to the good work of the Members of the Congress and the United States Senate.

One issue I do want to touch on is the levees. Now, the mayor made it very clear to me that we need a Federal policy, a strong Federal policy on the levees in order to en-

courage investors and investment in New Orleans. In other words, if there's any doubt about levees, people wouldn't be willing to reinvest in this city. If we couldn't get people to reinvest in this city, the recovery wouldn't be as strong as we hope it to be.

Working with the Corps of Engineers, we've put forth a plan that said that the levee system will be stronger and better than the previous levee system. And we put a request in for \$3.1 billion, plus money to study how possibly to make this system even better. Unfortunately, at the very last minute in the appropriations process, some Members of Congress moved \$1.4 billion of that \$3.1 billion to projects not directly related to New Orleans and the surrounding area. And so, in order to make sure that this city gets the money necessary to make sure that the levees are stronger and better, Congress needs to restore that \$1.4 billion directly into projects for New Orleans and the surrounding parishes. I'm looking forward to working with the Members of the Congress to make sure that money is restored.

Secondly, I understand that one of the keys to success is going to be private-sector initiatives. That's why we've got the small-business owners here and the mayor—[*inaudible*—]responsible for making sure New Orleans is well represented to the rest of the country, and that is Stephen, who is a part of the Chamber. One way to make sure that the private sector leads the recovery for New Orleans is to make sure the tax laws encourage investment. And I want to thank the Members of Congress for passing the GO Zone legislation which encourages investment. And that will be helpful for the folks here.

And finally, I know housing is a particularly difficult issue, an important issue. You can't have a revitalized New Orleans unless people have a place to live. And we look forward to working with the mayor and the State on implementing the vision, but want to remind people that in the new appropriations bill I signed is \$11.5 billion of CDBG money. In Mississippi, the Governor intends to use that money on uninsured housing—to pay for the uninsured folks who didn't have flood insurance. And the law is written so that the State,