Weekly Compilation of

Presidential Documents

Monday, April 2, 2001
Volume 37—Number 13
Pages 509–558

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Editor's Note: The Weekly Compilation of Presidential Documents is also available on the Internet on the *GPO Access* service at http://www.gpo.gov/nara/nara003.html.

WEEKLY COMPILATION OF

PRESIDENTIAL DOCUMENTS

Published every Monday by the Office of the Federal Register, National Archives and Records Administration, Washington, DC 20408, the *Weekly Compilation of Presidential Documents* contains statements, messages, and other Presidential materials released by the White House during the preceding week.

The *Weekly Compilation of Presidential Documents* is published pursuant to the authority contained in the Federal Register Act (49 Stat. 500, as amended; 44 U.S.C. Ch. 15), under regulations prescribed by the Administrative Committee of the Federal Register, approved by the President (37 FR 23607; 1 CFR Part 10).

Distribution is made only by the Superintendent of Documents, Government Printing Office, Washington, DC 20402. The *Weekly Compilation of Presidential Documents* will be furnished by mail to domestic subscribers for $80.00 per year ($137.00 for mailing first class) and to foreign subscribers for $93.75 per year, payable to the Superintendent of Documents, Government Printing Office, Washington, DC 20402. The charge for a single copy is $3.00 ($3.75 for foreign mailing).

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Week Ending Friday, March 30, 2001

Remarks Prepared for Delivery to a Friends of Ireland Luncheon

March 15, 2001

Thank you, Mr. Speaker. *Taoiseach,* Secretary of State for Northern Ireland John Reid, First Minister David Trimble, Deputy First Minister Seamus Mallon, Sinn Fein President Gerry Adams, Secretary Powell, Majority Leader Lott, other Members of Congress, thank you.

I thank the Speaker for the invitation to come here to celebrate the shared history and heritage that unite Ireland and America. It is a great honor. And I promise that my remarks today will be briefer than the last time I spoke on Capitol Hill.

Some of you may be aware that I don't attend a lot of formal lunches like this. But I had a change of heart when I saw that the Speaker's menu included Tex-Mex food. I just couldn't pass up the chance to try a green burrito.

On Saint Patrick's Day, we all get to be Irish for a day. There has been a lot of speculation about whether I'm part Irish. I must be. People say I talk like James Joyce writes.

Today I will speak plainly about an extremely important topic, peace in Northern Ireland. The United States will remain unwavering in our support of peace. We will remain unwavering in our support for all parties who show courage and leadership on behalf of peace. And we will remain unalterably opposed to anyone who would destroy peace by preaching or practicing violence.

Much of the progress toward peace in the past several years has been aided by the engagement of the United States. As I told Prime Minister Blair—and as I will tell Prime Minister Ahern tomorrow—the United States stands ready to continue that engagement. The reason is simple: Peace in Northern Ireland is in America's strong national interest.

The peace that holds today has many authors, from President Clinton to leaders from Britain, Ireland, and Northern Ireland to American political leaders, such as Senator Mitchell. The Good Friday agreement remains the best hope for lasting peace for the people of Northern Ireland. The goal of the United States is to see that agreement fully implemented.

There are two reasons for this. First, this is what the people of Ireland and Northern Ireland voted for back on May 22, 1998. And they did so by a very large margin. Second, the Good Friday agreement embodies principles of fundamental fairness without which peace will never breathe.

What are those principles? First, as stated in the agreement itself, "it is for the people of the island of Ireland alone, by agreement between the two parts . . . to exercise their right to self-determination on the basis of consent." The second principle is that of territorial integrity, that borders should never be changed through violence. Third, that terrorism is always and every where wrong. And fourth, there is the principle of equality of representation and equal treatment regardless of religion, race, or ethnicity.

The progress the parties have made in putting these principles into practice has made a difference—a big difference. And no one knows this better than the people of Northern Ireland themselves. Trade, investment, and jobs are up. Violence is down from previous levels. More people are moving into Northern Ireland than are moving out. In most places on most days for most families, life is normal. They don't have to worry when they get on a bus, go to a store or church, or send a child to school. And no one can put a price on that peace of mind.

But no one can or should take this progress for granted, no one on either side of the border, either side of the Irish Sea, or either side of the Atlantic. It may be tempting for

the parties to think they face a choice between further progress and the status quo. But in fact, the actual choice is probably between progress and a return to violence, because extremists on both sides still seek to destroy the agreement. Delay and impasse create a vacuum that they will try to fill. We must not let them.

The talks that Prime Ministers Blair and Ahern convened in Belfast last week created an opportunity to restore momentum toward resolving these issues and fully implementing the Good Friday agreement. Keeping the process moving forward will mean compromise, hard work, and trust. Trust is critical to resolving tough issues facing the parties: building a police force that has the respect of all the people; putting arms finally and forever beyond use; achieving a normal security presence throughout the society; making sure the new political institutions are here to stay. Now is the time to act—as Yeats said, "Do not wait to strike till the iron is hot, but make it hot by striking."

The parties in Northern Ireland, many of whose leaders are represented here today, have shown themselves capable of rising to the occasion and moving forward with wisdom and confidence. And as you do so, know that the United States will be ready to help in any way the governments and the parties find useful.

It's been said that Ireland is a place where "the inevitable never happens and the unexpected constantly occurs." Three years ago, the parties unexpectedly gave us the Good Friday agreement. Weeks later, citizens in all parts of the island defied all expectations by voting to approve the agreement in overwhelming numbers. This year on Saint Patrick's Day, let us all resolve to push for peace, a lasting, real, and needed peace.

Thank you very much.

NOTE: The President delivered the remarks at approximately noon in the Rayburn Room at the U.S. Capitol. In the prepared text, the President referred to First Minister David Trimble and Deputy First Minister Seamus Mallon, Northern Ireland Executive; Prime Minister Tony Blair of the United Kingdom; Prime Minister Bertie Ahern of Ireland; and former Senator George J. Mitchell, who chaired the multiparty talks in Northern Ireland. This text was released by the Office of the Press Secretary on March 23. The remarks as delivered were not released. This item was not received in time for publication in the appropriate issue.

Remarks Honoring Greek Independence Day

March 23, 2001

Your Eminence, thank you very much, sir. It's always an honor to be in your presence. I think the last time we were together was at the church service right after I had the honor of being sworn in as the President. And I appreciate so very much you being there.

Deputy Minister of Foreign Affairs Niotis, Ambassador Philon, Ambassador Marcoullis, Director Tenet, distinguished guests from Greece, as well as from America, welcome. This is a beautiful room to hold an important ceremony.

I want to thank you all for coming. I particularly want to thank Congressman Mike Bilirakis, as well as Senator Olympia Snowe, who is not with us today. I know where she is since I flew her up to Maine earlier. [*Laughter*] I want to thank you both for organizing the events. And it's interesting to note that I have been in your State and her State within the last week. All is well. [*Laughter*]

When I became President, I inherited the responsibility to safeguard one of America's oldest and most sacred friendships—that of the Government and people of the United States with the Government and people of Greece. We must keep that relationship vibrant, as it has been for 180 years.

It was 180 years ago that Greece proclaimed its independence—yet another example of Greece's contribution to the cause of human liberty. Few nations in the history of the world have done more to contribute to democratic self-government.

A Chinese scholar, hoping to foster an appreciation of Western thought in his country, recently translated the works of Homer into Chinese. He mastered ancient Greek in order to produce the most accurate translation possible and explained it this way: "If one wants to understand Western civilization, one has to search back to its roots, and the roots lead to ancient Greece."

Greek ideals had an enormous influence on the American Founders. James Madison, the Father of the Constitution, wrote this: "Among the confederacies of antiquity, the most considerable was that of the Grecian Republics."

We respect the ancient influence of Greece, and we value its modern friendships. Greece and America have been allies in the great 20th century struggles against nazism, Soviet communism, and Iraqi aggression. Our two nations are bound by history, by trade, by mutual respect, by common ideals, and one of the world's most important alliances.

We in the United States consider Greece to be a friend, a strong ally, and a powerful force for good in the world. And all the world will see this in vivid display when Athens hosts the Olympics of 2004. We're all looking forward to the great event.

I'm very pleased with the strong and expanding relationship between the United States and Greece. Our trade has increased by 16 percent in the last year. Tourism and high level contacts between the United States and Greece have also increased.

I want you to know that the United States stands ready to help Greece and Turkey as they work to improve their relations. I'm also committed to a just and lasting settlement of the Cyprus dispute. My administration fully supports the U.N. Secretary-General's efforts to bring peace and prosperity to all Cypriots. Our goal is an early resumption of the U.N. process.

The greatest gifts of Greece, however, to this country are the immigrants it's sent, men and women who enrich our Nation with their spirit. They're the models of community and enterprise, of family, of education and public service. And we honor Greek independence. And as we honor Greek independence, I also want to honor the Greek contribution to our national character.

So it's my pleasure to welcome you, Your Eminence, our distinguished guests, to this celebration of Greek Independence Day.

God bless.

NOTE: The President spoke at 4:10 p.m. in the the Indian Treaty Room in the Dwight D. Eisenhower Executive Office Building. In his remarks, he referred to Archbishop Demetrios, Primate of the Greek Orthodox Church in America; Deputy Minister for Foreign Affairs Grigoris Niotis of Greece; Greek Ambassador to the U.S. Alexandros Philon; Cypriot Ambassador to the U.S. Erato Kozakou-Marcoullis; and United Nations Secretary-General Kofi Annan. This item was not received in time for publication in the appropriate issue.

Remarks Prior to Discussions With United Nations Secretary-General Kofi Annan

March 23, 2001

President Bush. Good afternoon. It's my honor to welcome the Secretary-General to the Oval Office. My administration thinks he is doing an excellent job as the Secretary-General of the United Nations, and therefore, we heartily endorse his second term as the Secretary-General.

I appreciate your willingness to serve a second term, Mr. Secretary-General, and I'm looking forward to working not only to make sure that you serve a second term, but once that's done, work closely with you to keep the peace and to make the world more prosperous.

So, welcome.

Secretary-General Annan. Thank you very much. Mr. President, I'm also looking forward to working with you. And I'm very happy to be here. We have many issues to work on together, and I'm looking forward to our discussions this afternoon. We will go over a whole range of issues, including HIV/AIDS, poverty, the Balkans and African issues.

President Bush. Thank you, sir.

Thank you, all. Have a great weekend.

NOTE: The President spoke at 4:50 p.m. on the South Grounds at the White House. This item was not received in time for publication in the appropriate issue. A tape was not available for verification of the content of these remarks.

Statement on the Situation in Macedonia

March 23, 2001

The United States joins its allies and the United Nations in strongly condemning the

violence perpetrated by a small group of extremists determined to destabilize the democratic, multi-ethnic Government of Macedonia. The United States and its allies have a longstanding commitment to the sovereignty and territorial integrity of Macedonia.

The insurgents in Macedonia claim to be advancing the cause of the Albanian minority. They are not. In fact, their violent methods are hurting the long-term interests of ethnic Albanians in Macedonia, Kosovo, and throughout the region. We support instead those political leaders in Macedonia and the region who have rejected violence and terror in favor of democracy and dialog as a way to achieve political change.

I strongly support the efforts of President Trajkovski and the Macedonian Government to uphold democracy and the rule of law. We encourage the Government to act with restraint and to work closely with elected representatives of the Albanian community to address legitimate concerns, while taking the necessary steps to prevent further violence.

The United States is working with its allies and friends in the region to assist the Macedonian Government in countering the violence perpetrated by the extremists. We support NATO's effort to assess Macedonia's immediate security needs. We are already providing surveillance information to the Macedonian Government, and our Defense Department is dispatching Predator unmanned aerial vehicles to assist in this effort. KFOR patrols have been increased along Kosovo's border with Macedonia in order to improve border security and curtail the insurgents' activities.

Macedonia is a close friend, a partner country of NATO, and a successful example of a democratic, multi-ethnic state in the Balkans. As the United States knows only too well, perfecting such a state—and addressing the legitimate concerns of minorities—is a continuous process. It can only be done through dialog and democracy—and never through violence. That is why we call on all those who seek political change in Macedonia to work through the democratic political process.

NOTE: In his statement, the President referred to President Boris Trajkovski of Macedonia. This item was not received in time for publication in the appropriate issue.

The President's Radio Address
March 24, 2001

Good morning. Just over 2 weeks ago, the House of Representatives passed a large part of my tax relief plan. Now the House is about to vote on my budget, the funding we provide for the needs and goals of our Government. I have sent the Congress a budget plan that reflects our values as a people.

My budget is compassionate. It dedicates $238 billion to Medicare next year alone, enough to fund all current programs and to begin a new prescription drug benefit for low income seniors. It protects all 2.6 trillion of the Social Security surplus for Social Security and for Social Security alone. It increases spending on education substantially. It provides tax credits to help low income people buy health insurance. It adds funding for medical research, and it gives our men and women in uniform a $1 billion pay increase.

My budget is also responsible. It pays down the national debt faster than any country has ever repaid its debt before. It establishes a contingency fund for unexpected needs, and it provides a reasonable 4-percent increase in discretionary Government spending; that is, 4 percent after we have paid every promised dime for Social Security and Medicare. Then, after meeting all these priorities, we return about $1 out of every 4 in the surplus to the American taxpayer.

Some in Washington do not think a 4-percent spending increase is enough. They want Government to take a much larger part of the surplus. But think about it. For the past few years, average hourly wages have risen at a rate of about 4 percent. If the taxpayer can get by on a 4-percent raise, the tax collector ought to be able to make do with 4 percent, as well.

There's a lot at stake here. Last year Federal discretionary spending grew at a massive 8 percent. If this spending spree were to continue, we would drain the surplus by funding a permanently larger Government. This would be bad for the taxpayer and bad for

the economy. It would make significant debt reduction and tax relief much more difficult.

My budget plan doesn't slam the brake on spending; it slows the growth of spending. It makes our increases in spending more realistic and reasonable. All in all, my budget will provide the Government with 100 billion more to spend in 2002. Even by Washington standards, this is a lot of additional money, and it is enough.

This debate illustrates a point I've been making for a while: When money is left in Washington, there is a tremendous temptation for the Government to use it. The point is simple: If you send it, they will spend it. And this is why we need a balanced approach of moderate spending growth, debt reduction, and meaningful tax relief.

This is the plan the Congress is now considering, and I hope you'll give it your support.

Thank you for listening.

NOTE: The address was recorded at 3:22 p.m. on March 23 in the Cabinet Room at the White House for broadcast at 10:06 a.m. on March 24. The transcript was made available by the Office of the Press Secretary on March 23 but was embargoed for release until the broadcast.

Exchange With Reporters in Kansas City, Missouri

March 26, 2001

National Economy

Q. Are we in the middle of an economic downturn?

The President. We'll let the numbers speak for themselves. I'm concerned about our economy. I'm confident, however, if we do the right things, we can have economic growth, the likes of which we've had in the past. We'll watch the numbers carefully. The numbers will speak the truth.

The last quarter of last year was a very slow-growth quarter, and we'll see how it is in the first quarter of this year. I think a lot of experts believe that it's going to be slow.

Q. Do you believe in Ari's formulation, that we're in the middle of an economic downturn?

The President. Pardon me?

Q. Do you agree with your spokesman's formulation, that we're in the middle of a downturn?

The President. It has slowed down, and we better do something about it. And that's one of the reasons I'm here in Kansas City, to talk about tax relief as part of an economic stimulus package. And by the way, you looked very sharp the other night. Where did you rent it? [*Laughter*]

Airline Strikes

Q. Mr. President, are you going to intervene in the Comair strike?

The President. The National Mediation Board did not make—did not rule. In other words, they did not give me the right to move in on the strike, therefore, the parties are going to have to settle it themselves.

Q. Are you still determined to prevent a season of airline strikes, sir?

The President. I am worried about what the airline shutdowns could do to the economy. I would urge that all parties come to quick resolution on the matters that—you know, on the table. Yes, I'm concerned about what airline strikes could do.

Q. But your hands are tied in this case?

The President. In this case they are, as you know.

Thank you.

NOTE: The exchange began at 10:49 a.m. at the First Watch Restaurant. A reporter referred to Press Secretary Ari Fleischer. A tape was not available for verification of the content of this exchange.

Remarks to Employees of Bajan Industries in Kansas City

March 26, 2001

Elson, thank you very much for your hospitality. It was interesting, you said the name of this company is a reflection of his heritage, and that's true. But this company is also a reflection of the American Dream, as well. And I'm so thankful for the invitation to be here. I'm also thankful for your willingness to dream and to create jobs. This is what America is all about. This is what I call the lifeblood of the country.

I also took notice of the fact that you were quick to introduce your wife. [*Laughter*] Smart man. [*Laughter*] But I'm so thankful for you all to let us come. Senator, thank you very much for traveling with me. I appreciate Senator Bond's leadership. I believe he's got his priorities absolutely straight, and they include the people of—they include the good people of Missouri, right at the top of the list. And I appreciate being able to call him an ally.

Earlier today, I was proud to travel with a newly elected Congressman, Sam Graves. We went to his district to say hello to folks in the district. And Sam, thank you for your willingness to serve. It's good to see Congresswoman Karen McCarthy. Thank you for your hospitality, Karen. And Congressman Dennis Moore, I've had a chance to visit with Dennis in the past, and I appreciate him at least giving me a chance to make my case. [*Laughter*] Mayor, thank you very much for your hospitality. Thanks for greeting me here today.

I want to talk about a subject that's on my mind—part of my job is to put it on your mind if it's not—and that's how to make sure we treat your money wisely in Washington and what do we do if we have any of it left over. First, let me talk about budgeting. Elson has to budget. And his plant manager has to budget. And one of the key components of budgeting is to set priorities. We're in Washington; sometimes there are no clear priorities. You have to prioritize with the people's money, and we have set priorities in my budget.

A major priority is education. The biggest increase of any department is in the Department of Education. But I also want you to know, even though we're asking for more money to be spent in Washington, I'm not asking for more power. As a matter of fact, I want there to be less power in Washington, because I strongly believe in local control of schools. I believe that Washington ought to trust the local people to make the right decision for the schools. People closest to the problem are those best able to address—[*applause*].

You've heard a lot about some issues that relate to schools in this area. Don't be looking for Washington for the solutions. We may be able to help with some funding, but the government that is closest to the people is that more likely to be able to address problems. And as a former Governor, I understand one size does not fit all when it comes to education. The issues between Texas and Missouri are different, and they darn sure were different within my own State. And so we need more flexibility at the local level, less power in Washington.

But I also believe in results. I know Elson believes in results. He's a results-oriented man. And I believe public policy ought to be results-oriented. So my attitude is, if we increase spending at the Federal level and align authority and responsibility at the local level, we also ought to ask the question, what are the results? We ought to say to local school districts, "If you receive Federal help, you measure and you show us whether or not children are learning to read and write and add and subtract, so that we know—so that we know—whether school systems are quitting early on children."

And I've seen what happens when school systems quit early on children. Guess who gets quit on: children whose parents may not speak English as their first language, inner-city children. And to me it makes sense that if you receive help, you've got to measure. I don't want there to be a Federal test. I don't want the National Government to undermine local control of schools. But I do think society ought to ask the question, are the children learning? And if they are, we ought to applaud and thank principals and teachers. But if not, we ought to correct the problem early, before it's too late. It's time for a new attitude when it comes to the education of our children, particularly starting in Washington, DC.

And I think we're making good progress. There's a new spirit of accomplishment in Washington, DC. And I think we're making good progress on an education bill. Both Republicans and Democrats are coming together to adhere to a set of principles that will encourage educational excellence.

Another priority of mine, of course, is how best to keep the peace. And so part of my budget was to ask Congress to spend more money on the men and women who wear the uniform, to increase the salaries of our

troops and to make sure they're housed better. I'm worried about morale in the military. And one good way to start rebuilding morale is to pay people better, and that's exactly what we're going to do.

But I also have the responsibility of laying out a strategic plan for the military, for how best to spend the taxpayers' money beyond pay increases. We have the responsibility in the executive branch to take a full review of where money ought to be spent in the future, so we can better keep the peace. Before we ask Congress to spend money on weapons systems, our view is, let's make sure the weapons systems are needed. As we think about research and development money, let's make sure it fits into a strategic plan so that the United States can keep the peace not only today but 20 to 30 years from now.

Another priority is health care. And we've got a lot of money in my budget for health care. We double the money for Medicare. We double the amount of folks who will be served at community health centers. We provide money in the budget to help the working uninsured be able to purchase insurance. We focus on health care.

And we also do something else in the budget—and I know there's a lot of talk, and there's a lot of ways to justify keeping your money in Washington, but one of the old ways of justifying keeping your money in Washington is left. It's no longer relevant. Some may continue to try to frighten people with it—and that's the issue of Social Security. We're taking all the payroll taxes and dedicating them only to one thing, and that's Social Security. The day of trying to frighten seniors in America to be against something is over with.

This is a budget that sets priorities: Defense is a priority; education is a priority; health care is a priority. I readily concede we don't try to be all things to all people in our budget, however, but we do increase discretionary spending by 4 percent. And this creates the rub in Washington. There are some who think 4 percent is too small. I can understand why, because during the last budget cycle the Congress spent—raised the discretionary spending by 8 percent.

Now, remember, inflation is less than 4 percent. Most people aren't getting 4 percent pay raises, and yet asking our Government to live on a 4 percent increase in discretionary spending has created some tension. It made people nervous, has created all kinds of noise in Washington.

But I think it's realistic to ask the Federal Government to keep its spending at a rate a little more than the rate of inflation. I think that's a realistic expectation, and it shouldn't surprise any of you all. I said, if you give me the chance to be the President, I'll work to be fiscally responsible with your money. The days of spending orgies in order to get people out of town are over with, as far as I'm concerned. I'm going to set priorities and strictly make sure that your money is spent wisely and that we don't have a bidding contest in Washington, DC.

We've also paid down a lot of debt. There's a lot of discussion about debt at the national level, and ours is a budget that pays down $2 trillion worth of debt. Now, there are some who may want to pay off more debt. But the 2 trillion is the only amount that's coming due over the next 10 years, and it doesn't make much sense to pay down debt prematurely. It will cost the taxpayers additional money to do so.

I guess what I'm trying to say is, I've taken a commonsense approach to your money. We've set priorities. We've increased the budget by 4 percent. Admittedly, it's not 8 percent, but 4 percent's plenty for the Federal Government to live on. We pay down $2 trillion of debt.

Incredibly enough, we also set aside one trillion more dollars, over 10 years, for a contingency. But you know what, there's still money left over—about $1.6 trillion. And that's where the big debate—that's what we're talking about, what to do with the money. I start with this premise, that that surplus is not the Government's money. It's the hard-working people's money. It's the money of the entrepreneur. It's the hard-working—it's the people's money; that's whose money it is.

And as we're thinking about what to do with it, I hope the Congress always remembers whose money it is. I love the idea we're going to give the people their money back. You know, I say that myself sometimes. I just don't think we ought to take it in the first

place. After we meet priorities, I think we ought to let you have it. So I've submitted a tax relief plan. The debate no longer is whether or not we're going to have tax relief. It is how much money is going to be passed back to the people and how quickly. And that's a good sign for the hard-working Americans who are paying taxes.

I'd like to explain some of the principles of the tax relief plan. First of all, you hear a lot of talk about targeted tax relief. Those words basically mean that Congress gets to pick and choose who gets tax relief and who doesn't get tax relief. But that is not my vision of fair Government. Our vision of Government says that if you pay taxes, you ought to get relief, that the idea of trying to pick and choose who does and who doesn't isn't right. So we lower all rates for everybody who pays taxes. The largest percentage tax relief goes to the folks at the bottom end of the economic ladder.

We understand—or I understand, and proponents of my plan understand, that if you're on the outskirts of poverty, struggling to get ahead, the Tax Code is incredibly unfair. It's unfair because as some taxpayers make more money, they pay a higher marginal rate than successful people do. If you start losing your earned-income tax credit and you go into the 15 percent bracket for the first time, and you pay payroll taxes, the marginal rate on every additional dollar you earn is higher than somebody making $200,000. That's the current Tax Code today, and that's not right.

One of the major principles in the tax relief plan says, the harder you work, the more money you ought to be able to make and keep; the harder you work, the more money you ought to have in your pocket. And so this is a plan that recognizes the code is unfair. That's why we drop the bottom rate from 15 percent to 10 percent and increase the child credit from $500 to $1,000 per child.

We also drop the top rate from 39.6 to 33 percent. And this is where some of the folks in Washington would rather holler than listen to the facts. It's easier to say some things about, maybe certain folks shouldn't be getting tax relief. But I want people to understand this about dropping the top rate. A major beneficiary of dropping the top rate from 39.6 to 33 percent are small-business owners. Thousands of small businesses pay taxes at the top personal rate. The limited liability corporation, just like this company, pays taxes at the high personal rate. The unincorporated small-business owner pays taxes at the high personal rate. The sole proprietor pays taxes at the high personal rate.

Elson, you'll be pleased to hear, I hope, that I believe the role of Government is not to create wealth but an environment in which the entrepreneur can flourish. And one way to do so is to provide meaningful tax relief for the unincorporated businesses all across America. By dropping the top rate, we're enhancing the cash flow of the major new job creators in the country. I've come to this plant—[*applause*].

Oh, I've heard the rhetoric, but the reality is, the Elson Seale of the world—his company benefits, which makes it easier for him to employ the good folks he's employing here. Tax relief for small businesses is vitally important. It's vitally important to make sure that the entrepreneurial—the entrepreneurial spirit flourishes in America. It's also vitally important as our economy slows down.

We've got to remember who the major job creators are. New jobs are created by small-business people and entrepreneurs, and we should not let the rhetoric of a few in Washington cloud the issue. And the issue is, how do we get more money into the coffers of the small businesses like Elson's in America? And that's what this tax relief plan does.

So when you hear them saying they're against dropping the top rate, you can translate that to the people saying, "We just don't appreciate entrepreneurship or the small-business creation in this country."

There's two other issues I want to talk about. One is that the marriage penalty is unfair. It's an unfair part of our Tax Code. And I urge the House and, ultimately, the Senate to do something about that.

And I tell you something else unfair in our Tax Code, the death tax. That's unfair. I think Elson ought to be allowed to pass his business from one generation to the next without being taxed twice. I don't know what your plans are to do with your business, and I'm not going to get you to declare right now—

[*laughter*]—particularly in front of your son and daughter, but I do know that if part of your dream is to pass your asset base on to your kin, you ought to be allowed to do so. He pays taxes during—when he makes money; that's one time. Why should he pay taxes on his death? It doesn't seem to make sense to me. If part of the American experience is realizing a dream and building up your own asset base, an equally important part of that is passing your asset base on to your kin, to your son or your daughter. It's part of the American Dream. It's time to get rid of the death tax in the Tax Code.

Not only does today give me a chance to talk about the benefits for a company like Elson's, I'd like to introduce some folks that I got to meet at a restaurant over there, the Edwards family. Robert's a manager at Bob Evans Restaurant, and Jennifer's an accountant at a real estate firm. They've got Quentin and Ian with them. Quentin is 3½; Ian is barely hanging on at one—[*laughter*]—looking for a nap. [*Laughter*] Mom probably is, too, right about now. [*Laughter*] The reason I asked them to come, because I want to just describe their circumstances quickly. This good family works hard. They pay $1,750 in Federal income taxes. And under the plan, when fully implemented, if Congress passes it, they'll end up paying no Federal income tax. They'll end up saving $1,750. And I've asked them to come because it gives me a chance to vividly make this point, and it's this: Once the Government has met its basic needs, and we've grown the discretionary budget by 4 percent, and paid down $2 trillion of debt, set aside a trillion for contingencies, what do we do? I would much rather have these good folks spend the $1,750 than the Congress. In all due respect, I think we ought to trust these people with their money. It is your money to begin with.

And that's the fundamental debate, and that's the debate that's going to take place. It's taking place in the House. It's going to take place in the Senate. Who do we trust? This debate, as far as I'm concerned, is a matter of trust. Do we trust the Elson Seales of the world, or do we trust the Government to make the decisions? Once priorities are met, once we have increased discretionary spending, once we have made sure Social Security is safe, once we have doubled Medicare, who do we trust with the people's money? Ask the people.

I would much rather have this man and his wife making the decisions what to do with that $1,750 than the appropriators in the United States Senate and the United States House. And that's the issue during this campaign—and that's the issue during this debate.

And so if you like what you heard, I urge you to use the old e-mail—[*laughter*]—or the telephone or the letter. It's amazing how effective people can be when it comes to convincing their elected officials to listen to a different point of view.

I'm honored to be able to come out and make my case. It's important for me to get out of the Nation's Capital and get in front of as many people as I can. Sometimes the filter may not say it exactly the way I'd like it to be said, if you know what I mean. [*Laughter*] Sometimes the message doesn't get delivered directly, and this gives me a chance to do so. It gives me a chance to say that ours is a plan that meets priorities but doesn't want to grow the size of the Federal Government relative to the size of people's pocketbooks.

There's a lot of talk about debt at the national level. I urge the Senators and the Congress to remember there's a lot of debt at the personal level, too. And there's a lot of talk about, oh, this assumption, that assumption. But one thing we're certain of is that energy bills are going up for people. We're certain of that. And at the very minimum, we ought to share some of the people's—not take the people's money in the first place, so they can manage their new energy account—their increased energy accounts.

Now, we need to hear the people of this country. We need to listen to them. We need to understand the entrepreneurial spirit. We need to trust families with their own money, because the true strength of the country lies in the hearts and souls of the American people. That's the great strength of this country. The great strength of the country happens when a neighbor turns to a neighbor in need and says, "What can I do to help. Brother, you got a problem; what can I do to help?"—

acts of kindness that take place on a daily basis.

No, the true strength of the country is when somebody says, "I think I want to teach some values to a child," and becomes a Boy Scout or Girl Scout leader or Boys or Girls Club leader. The true strength of the country comes when a mother or dad understands their most important job is not what they're doing during the day, but loving—if they happen to have a child—loving their children with all their heart and all their soul. That's the true strength of this country.

I know we've lost some wealth in the stock market recently, but the real wealth of America is the creative energy of our folks. And tax policy ought to unleash the creative energy of Americans and trust Americans with their own money. I'd like your help. I'd like your help. This isn't for me. This isn't help for a political party. This is help for doing what's right for America. This is important for our economy, but it's also important for the families and hard-working people all across the country. And we can afford it.

God bless.

NOTE: The President spoke at 11:50 a.m. in the factory. In his remarks, he referred to Elson Seale, owner, Bajan Industries, LLC, his wife, Delores, and their children Jamal and Janine; and Mayor Kay Barnes of Kansas City.

Remarks at the Tractor Supply Company and an Exchange With Reporters in Billings, Montana

March 26, 2001

The President. I want to thank—Fred, thank you for having me, and I want to thank you all for coming. I look forward to talking about American agriculture with you. The issues that relate directly to Montana farmers and ranchers are issues that relate to Texas farmers and ranchers, too. Agriculture is an incredibly important part of our Nation's economy.

I'm going to tell you a couple of things, then I'm going to listen. But I am going to tell you that when it comes to negotiations and trade agreements, we will treat agriculture as an important, integral part of our strategy. We won't kind of hold agriculture out and then maybe try to get a good deal or not. Agriculture is an important part of our country's economic future.

Secondly, I'm—we'll have regulations based upon sound science.

Thirdly, I'm worried about energy; I know you all are, as well. Energy is driving up the cost of farming. It's not only driving up the cost of, obviously, what it takes to run your vehicles; it also drives up the cost of fertilizer. And I understand that.

And fourthly, I look forward to discussing with you some of the conversations I've had with our Canadian friends to the north in regards to labeling and wheat policy and timber policy, as well. So I'm honored that you all gave me a chance to come by and visit. It's my first time I've ever been to the State of Montana. But I suspect I'm going to find—good folks here in this State are kind of like the folks where I came from, hard-working, God-fearing, family-loving people who are worried about how to make a living in the agriculture sector. Thank you all for giving me a chance to be here.

Agricultural Assistance

Q. Mr. President, do you see a need for a farm rescue package along the—[*inaudible*]—of last year's?

The President. It's too early to tell, but we've got contingency money set aside. We've got contingency money set aside in case that needs to happen.

Q. And do you see a need for a permanent change in the farm—[*inaudible*]?

The President. It's too early to tell. What we don't know yet is whether or not the new risk management programs that have been put in place achieve their desired effect.

Montana Drought

Q. Montana farmers are worried about drought, Mr. President. What can you do to help them?

The President. Pray. Pray for rain. [*Laughter*] We have just come through a tough drought in my State of Texas, and I understand what drought does to a farmer. The only thing we can do is hope moisture comes, and we've got to call upon the good Lord.

In the meantime, we've got disaster payments and risk management programs at the Federal level.

Thank you.

Treasury Secretary Paul H. O'Neill

Q. Mr. President, can you tell us what led Mr. O'Neill to go ahead and give his stock options back?

The President. You need to talk to Mr. O'Neill.

NOTE: The President spoke at 4:08 p.m. in the warehouse. In his remarks, he referred to Fred Booth, Presidential designee to head the Montana office of the Farm Service Agency. A tape was not available for verification of the content of these remarks.

Remarks to the Community in Billings

March 26, 2001

Thank you all. This is my first time in your beautiful state, and I want to thank you for the warm welcome.

Before I begin and say the thanks, I do want you all to join me in a moment of silent prayer for the two soldiers, men who wore the uniform of America, who lost their lives in Germany today, and two of our pilots who are missing over Great Britain. Would you please join me in a moment of silent prayer, please?

[*A moment of silence was observed.*]

Thank you. God bless them. God bless their families, and God bless America.

I first want to say thanks to my friend, your former Governor. It seems like you still remember who he is. I, of course, know who he is. I had no stronger ally, a good man, as you know and, gosh, maybe one of these days we might convince him to get his political uniform back on.

I appreciate so very much getting to know your current Governor. The first time I met her was at the White House. We had a pretty fancy dinner. It was the first fancy dinner we had at the White House. I invited all the Governors over, and she came and did just fine, I want you to know. [*Laughter*] Now, her husband, on the other hand—[*laughter*]—I don't know where he rented his tux, but he looked quite handsome. At any rate, it was an honor to know your Governor. People say the kindest things about her. She's a good, strong leader, and I know you're proud to call her Governor and proud to call the Lieutenant Governor, Lieutenant Governor. I want to thank them both for being up here today. Thank you all for coming.

I'm particularly proud to be here with the Montana congressional delegation. Fine Americans. Fine Americans, all starting with the senior member of the delegation, the senior Senator who is a man who's got enormous power in Washington. He's the kind of man who has got enough power that if he likes what I have to say and you like what I have to say, I'm confident he'll get it done. We're counting on you.

And I flew into town today with Senator Burns, a man who is not a very shy, retiring fellow. [*Laughter*] After all, he was an auctioneer. But I'm looking forward to having his vote when these bills start hitting the floor. He looked in, and there we were, about 35,000 feet, and he said, "President, you're doing the right thing."

And we already know how this man is going to vote. We've had a couple of tough votes on the floor of the House, and Congressman, thank you for your strong support. You did the right thing for the people in Montana.

I want to talk a little bit about the budget. There's a lot of talk about the budget, and I found it's much better for me to take my case directly to the people. Sometimes the word coming out of Washington gets filtered. Sometimes it's hard to get a direct message to the people. So I found the best way to get the message out is to travel the country. And it's pretty healthy to do so, too. Sometimes some of us in Washington forget where we come from. And that's why it's good for the President to get out and remind people of who matters. And the people that matter are the hard-working people of America who pay this Nation's bills, that's who matters.

I'd like people to know my perspective of how we're going to spend your money. I'd like to characterize it as a commonsense way of spending the people's money, which means we start with priorities. Anytime you

set a budget, it's important to set priorities. I'd like to explain a couple of the priorities in my budget.

Education is a priority in my budget. Our education budget—the Department of Education received the largest increase of any Department in our budget request to the Congress. It's one thing to ask for more money, but it's always important to remember where you come from.

I used to be the Governor of a great State. I used to—there you are. [*Laughter*] You obviously are not checking passports at the border. [*Laughter*] Thank you for waving those flags. And the reason I said that is because I remember how I really didn't like all the Federal rules and strings, the Federal Government centralized authority telling the people how to run the school system. That's why we're asking for more money. We're also asking Congress to free up local folks to make the right decisions for the children. The people who care more about the children in Montana are the citizens of Montana.

One size doesn't fit all when it comes to educating our Nation's children. So, on the one hand, we're asking for more money; on the other hand, we're asking for power to be passed out of Washington, DC, with as much flexibility and authority so the good Governor and Lieutenant Governor and legislators and school board officials can help chart the path of excellence for every child.

But in our budget and in our plans for education reform, we also ask this: We ask that in return for getting help, that you, the people of Montana, or the people of any State, develop an accountability system that says to the good taxpayers, "Our children are learning," an accountability system that will tell us whether or not progress is being made.

See, I think it's important for us to be a results-oriented nation, a nation that measures progress, and as importantly, a nation that determines whether children need help early, before it's too late. Our mission in America is to make sure that we reform schools where reform is needed, so that not one child in America is left behind as we go into the 21st century.

I mentioned the military, and one of our priorities in this administration is to strengthen the military; it's to lift the morale of the military. And so in my budget, we ask Congress to increase the pay for the men and women who wear the uniform, to make sure they're better paid and better housed. A priority is a strong military. But it's one thing to spend more money. It's also important to have a Commander in Chief who sets a clear mission for the military of the United States. And the mission is this: Be prepared to fight and win war and, therefore, prevent war from happening in the first place.

There are new threats that face our Nation. Ours will be an administration that is realistic, that brings common sense to our foreign policy. We'll address the threats as we see them. I'm concerned about rouge nations and leaders that may try to hold the United States or our allies hostage.

Not only must we make sure that our men and women are trained well; we must make sure we have the equipment necessary to keep the peace, the research and development to make sure we have the systems that says to those who may try to hold our Nation hostage, "Don't try it. Don't dare." We need a missile defense system that prevents the world from being held hostage by terrorism.

The budget we've submitted to the Congress doubles the Medicare budget over a 10-year period of time. It also increases the number of folks who will be served at community health centers. It provides money for the working uninsured, so they can buy health insurance. No, we focus on the health care of the citizens of this country.

The budget I submitted ends, for once and for all, the old, tired, stale political rhetoric that says somebody like Bush is going to come along and affect the Social Security of our Nation's seniors, the old scare tactics politics that for too long has dominated the political scene.

I hope, once and for all, Republicans and Democrats will quit all this business about trying to frighten people, because in the budget I submitted to the Congress, it sets aside all the money aimed for payroll taxes for only one thing, social—I mean, all the money from payroll taxes aimed for Social Security, for only one thing and one thing only, Social Security.

No, I know, there are some who want to keep all your money in Washington, and

they'll say what they have to say to do so. But don't get fooled by this rhetoric about Social Security being threatened. Those days are over with—those days are over with. Those who need to worry about Social Security are not those who rely on Social Security today or those near retirement. The folks that better hope we have a Congress and a President who's willing to think differently on Social Security are the younger workers who are going to have to pay for us baby boomers when we retire.

The debate will happen later on in the year, but I'm going to have Congress take a hard look at letting younger workers take their own money and manage it in the safety of managed savings accounts, investment accounts. Those are our priorities.

Paying off debt is a priority. In the budget I submitted to the United States Congress, we pay down $2 trillion worth of our debt. In a 10-year period, we pay down 2 trillion. People say, "Why not more?" Well, because we'd have to pay a premium to pay down any more debt. That's all the debt that's coming up to be paid off in a 10-year period. It makes no sense, certainly not any common sense, to pay a premium for debt that hasn't come due yet. So this administration isn't going to do that, but we do pay down $2 trillion of debt. It's a significant payment down of our nation's debt. We set priorities, and we pay down debt.

But part of the problem is that I only grow discretionary spending by 4 percent. Now, by the way, 4 percent is greater than the rate of inflation; 4 percent is a bigger increase than most people's paycheck increased. Surely, Congress can keep the spending down to 4 percent. It's going to require a new mentality, though, you see, because discretionary spending at the end of last year increased by 8 percent.

It's like they had a bidding contest to see how—the guy who spent the most got out of town first. And that's not the right way to deal with your money. We need fiscal sanity in Washington, DC. We need to set priorities. We need to make sure that we don't overgrow the Federal budget.

And by bringing fiscal discipline to Washington, by having the discretionary budget that increases at 4 percent, not at 8 percent, there's money left over. And the big debate is, what to do with it. Now by the way, before I tell you what I think we ought to do with it, before I tell you what we think we ought to do, I want to also tell you that within our budget, over a 10-year period there's $1 trillion for contingencies.

So, set priorities; set aside payroll taxes for Social Security; we double the Medicare budget; we increase discretionary spending at 4 percent; we set aside money for contingencies. One contingency may be a continuing problem in our agricultural sector. There's money set aside for contingencies. There's still money left over, and that's where the clash of wills is coming in Washington, DC.

Let me tell you the principles that I made my decision. First of all, that money left over—we call it the surplus—that money is not the Government's money; it is the people's money. The Government didn't earn that money; you earned the money.

In the first 4 months of this year, the cash flow coming into the Treasury exceeded expectations by $40 billion, in spite of the fact that our economy has been sputtering a little bit. During the first 4 months of the fiscal year, $40 billion excess cash came in. It sounds like, to me, somebody is being overcharged. And we need to ask for a refund.

And that's what I'm here to talk about. I'm here to talk about the tax relief plan that I have submitted to the United States Congress. It starts with this. It says, let's reduce all rates. I know there are some in Washington who like to talk about what they call targeted tax cuts. Let me tell you what that means. That means that the folks in Washington get to decide who the winners are and who doesn't win when it comes to tax relief.

That's not our view of Government, folks. Our view of Government says, if you pay taxes, you ought to get relief. We simplify the code. We try to make this cumbersome Tax Code easier for folks to understand. This Tax Code of ours is patently unfair. It's unfair to people at the bottom end of the economic ladder. If you're a single mom in the State of Montana, trying to raise two children—by the way, you'd be working the toughest job in the State of Montana, the toughest job. If you're on the edge of poverty, if you're

working hard and you're making $22,000 a year, under this Tax Code, incredibly enough, for every additional dollar that hard-working woman makes, she pays a higher marginal rate on that dollar than someone who is successful. Under the Tax Code today, for every additional dollar the single mom making $22,000 a year earns above $22,000, she pays a higher marginal rate on that dollar than someone making $200,000 a year. And that's not right. That's not the vision we have for America. So I'm asking Congress to drop the bottom rate from 15 percent to 10 percent and increase the child credit from $500 to $1,000 per child. I think everybody pretty much agrees with that. Let me tell you something. Let me tell you something else. I'm advocating dropping the top rate, as well, from 39.6 percent to 33 percent, and let me tell you why. Oh, I've heard all the rhetoric; you've heard it, too. You know, this is the plan only the wealthy people benefit.

I want to remind the people all across America that there are thousands of small-business owners who are unincorporated in America who pay the 39.6 percent rate. I want to remind people that there are hundreds of thousands of sole proprietors in our country who are working hard every single day to realize the American Dream of starting their own business, of employing people, who pay at the high rates in our Tax Code.

No, we've heard all the rhetoric. But the truth of the matter is, the role of Government is not to create wealth but an environment in which the entrepreneur and small-business owner can flourish in America. And dropping that top rate sends a clear signal: We want you to have more cash flow so you can expand your business when this economy is slowing down; we want you to have more money in your pocket so you can continue to employ more hard-working people in the great land of America.

The marriage penalty is unfair in our Tax Code. It doesn't make sense to tax marriage disproportionally to those folks who aren't married. That's not right. We ought to encourage families to stay together. We ought to have a Tax Code that welcomes families.

I had the honor of meeting with some farmers and ranchers from your good State. And it leads me to my final point on tax fairness and tax relief. The death tax is unfair. It's unfair to ranchers; it's unfair to farmers; it's unfair to the family business owner that works his or her heart out to be able—and wants to leave it to a family member. It's not right, folks. It's not right to tax a person's assets twice. It's time to get rid of the death tax in this Tax Code.

You've heard them all over there. They say, "This isn't enough." We've got some people that are saying, "Let's make it bigger," and some people saying, "Let's make it smaller." Our message we've got to send the United States Congress is the plan I've laid out is just right. It's just right for the small-business owner. It's just right for the person struggling to get ahead in America. It's just right for the rancher and farmer. It's just right.

And let me tell you another reason why we need tax relief. I was in Council Bluffs, Iowa, and a grandmother stood up, and she said, "You know, Mr. President,"—behave yourself—[*laughter*]—she didn't say behave yourself. She said, "Mr. President," she said, "I baked a lot of cookies in my day." She was talking about the budget and money in Washington. She said, "I baked a lot of cookies in my day. And I've seen children and grandchildren go through my house more times than you can possibly imagine. And every time I left cookies on the plate on the table, they were eaten." That's how I feel about your money in Washington. It's a fundamental difference about once we meet priorities, who gets the money? Where does the money go?

Today I've asked the Palmers—there they go, right over there where it says, "Tax Relief Now." That's Mike Palmer; that's Kathy Palmer; that's Joe Palmer and Jacob Palmer. And I want to thank you all for coming. Mike works for the Burlington Northern Santa Fe Railroad. Kathy is a teller at Wells Fargo Bank. Joseph is 12, and Jacob is 9. This good family, they pay $2,900 in Federal income taxes. Once Congress puts the plan I've just described to you in place, these good folks will save $1,700. That's not a lot for some, they say. It's a lot for them. It's 1,700 more dollars in their pocket.

You know, there's a lot of talk about national debt. I want people to remember in

Congress, there's also debt at the private level. There's a lot of folks who have got credit card debt. They thought they could manage the debt okay, until the fact that our Nation didn't have an energy policy caught up with us.

People's energy bills are going up. People are having trouble making ends meet in America. We've met priorities. We've got money left over. And the fundamental question is, do you want the Palmers to spend the money, or the Government? I want the Palmers to spend the $1,700.

This is a matter of trust. It's a matter of trust. Who do you trust with that extra money? Who do you want to spend it? That's the question I'm asking the Members of the Senate and the House of Representatives, and the question I hope you join me in asking. Once we've met priorities, once we've paid down debt, I want to trust the Palmers and the hard-working Americans. It's your money to begin with. It's not the Government's money we're talking about; it's the people's money.

And it's so important to trust the people of this country. It's so important to trust our fellow Americans. The strength of the country is in the hearts and souls of our citizens. That's the strength of America. It doesn't lie in our halls of Government. And we have a great form of government. But the true strength of America is in our citizenry and our neighborhoods, where somebody puts their arm around a neighbor in need, and says, "Brother or sister, what can I do to help?" No, the great strength of this country is because good-hearted citizens say, "I want to teach a child some values and become a Boy Scout or a Girl Scout leader or a Boys and Girls Club leader." The true strength of the country is in our churches and synagogues and mosques, places of worship that teach us—that teach the scholar lesson.

I trust the people of this country. That's what makes our Nation unique and strong and compassionate. The best thing I can do besides arguing for good public policy and to sign good law is to begin by changing the culture in Washington, by working to establish a culture of respect.

It's important for the rhetoric in Washington, DC, to be dialed down a couple of notches—that needless partisanship that goes on. We ought to be talking about the people of the country. We need to be talking about disagreeing in an agreeable way. There's a time for politics. Thankfully, we finished that. Now it's a time for good public policy. And a good public policy always begins by trusting the people and listening to the people and remember whose money we're spending when it comes to setting the budgets of the Federal Government.

We have a solemn obligation in Washington to do the people's business. So I believe we're beginning to develop a culture of accomplishment in Washington, as well. I was pleased to sign a bill that would have—that got rid of needless regulations, unnecessary, burdensome, cumbersome, costly regulations on what they call ergonomics.

We can come up with better policy, but it's the system of accomplishment. Things are beginning to happen. It requires a President who can set an agenda, work with members of both parties, and share credit when positive things happen. And that's so important. I want people to look at Washington and not see finger pointing and name calling and bickering but accomplishment.

And finally, I believe we have an opportunity in America to usher in a culture of responsibility, a signal that says loud and clear to our country that each of us are responsible for the decisions we make in life, that if we've got an issue in Billings, Montana, don't hope that the Federal Government will wave some magic wand and solve—[*applause*].

All of us in positions of authority must uphold the offices that we occupy. All of us with responsibility must understand that it all starts with those of us who are fortunate enough to be able to say we're a mom or dad. It all starts with loving our children with all our heart and all our soul and all our mind. No, the greatness of the country lays ahead of us, when we usher in a period of personal responsibility, when we understand loving a neighbor like we like to be loved ourselves is an important part of the American experience, where we have a hopeful nation, a nation that holds up hope for everybody who is fortunate enough to be called an American.

I see a great day ahead for this country. But it all counts on the people. I'm here to ask for your help. You're only an e-mail away from influencing public policy, only a phone call.

It is such an honor to be here. Marc was right; I was incredibly inspired not only when I saw the beautiful countryside but when I saw the hundreds of citizens who took time out of their day to come by and wave. And I'm honored that so many folks came here today. It makes me feel great. I'm honored to be your President. It's a huge, huge honor. I won't let you down.

God bless. God bless America. Thank you all.

NOTE: The President spoke at 5:10 p.m. at the MetraPark Expo and Convention Center. In his remarks, he referred to former Gov. Marc Racicot, Gov. Judy Martz, and Lt. Gov. Karl Ohs of Montana; and Harry Martz, husband of Governor Martz.

Memorandum on Delegation of Responsibilities Related to the Federal Republic of Yugoslavia

March 22, 2001

Memorandum for the Secretary of State, the Secretary of the Treasury, the Secretary of Defense, the United States Trade Representative

Subject: Delegation of Responsibilities Related to the Federal Republic of Yugoslavia

By the authority vested in me by the Constitution and laws of the United States of America, including section 301, of title 3 of the United States Code, I hereby delegate to the Secretary of State the following functions vested in the President:

(1) the functions of the President contained in section 594 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2001 (Public Law 106–429);

(2) the functions of the President contained in section 1511 of the National Defense Authorization Act for Fiscal Year 1994, to exempt Serbia and Montenegro from the sanctions specified in that section, and to waive or modify the application of those sanctions;

(3) the functions of the President contained in section 1(c) of Public Law 102–420, to restore normal trade relations status for goods produced in Serbia or Montenegro by certifying that Serbia or Montenegro, as the case may be, has ceased armed conflict with other ethnic groups in the former Yugoslavia, has agreed to respect the borders of the republics that comprised the former Yugoslavia, and has ceased all support for Serbian forces inside Bosnia-Herzegovina.

Any reference in this memorandum to provisions of any act related to the subject of this memorandum shall be deemed to include reference to any hereafter-enacted provision of law that is the same or substantially the same as such provision.

The functions delegated by this memorandum shall be exercised in consultation with the National Security Council, Department of the Treasury and other agencies as appropriate, and may be redelegated as appropriate.

The Secretary of State is authorized and directed to publish this memorandum in the *Federal Register.*

George W. Bush

NOTE: This memorandum was released by the Office of the Press Secretary on March 27.

Remarks at Western Michigan University in Kalamazoo, Michigan

March 27, 2001

Thank you very much for that warm welcome. I am honored to be back here in Kalamazoo. The last time I came, I think I went to the school right down the street, if I'm not mistaken. And it is a thrill to be back. It's an honor to be with my friend the Governor of the great State of Michigan, a man who I really enjoy being around. That guy's done a fabulous job as being your Governor, John Engler.

It's good to be with the Lieutenant Governor, Dick Posthumus. Good to see you,

Dick. Candice Miller. It's great to be here with Dr. Floyd.

I got to know Dr. Floyd last summer. I was impressed by him then; I'm doubly impressed by him now. He does a fabulous job for this important institution. Thanks for having us, Dr. Floyd. I'm honored to be in your presence again.

I want to thank the leaders of the Kalamazoo Chamber of Commerce, Kevin McCarthy. I'm honored that you would have me here. I'm here to talk about a subject that's dear to our collective hearts, our Nation and its economy.

Before I do so, though, I want to thank all of the Members of the United States Congress who are here. I see Upton, Fred Upton, is here, and Peter Hoekstra, Vern Ehlers, Nick Smith, Joe Knollenberg, and Mike Rogers. I'm honored to be in your presence. I would spend more time talking about you, except we're flying back to Washington on Air Force One. It will give me ample time to visit with you about where I think we need to be heading. [*Laughter*]

But the good news is, with those that are here, I have no doubt that they're going to do the right thing. We've had a chance to see them in action before. I submitted my bill a month ago to Congress to reenergize our economy. And this Michigan delegation, at least these folks here, stood strong for the working people of Michigan and voted for real, meaningful tax relief for the people of this important State. And I want to thank you all.

Important elements have passed the House and are now before the Senate. We have made progress. But there's a lot of work to be done. And I'm here to ask for your help. If you like what you hear, you're only an e-mail away from letting two Senators know what you think.

I find it's important to get out of town—at least out of the Nation's Capital—to take my message directly to the people who matter. You see, oftentimes, what I try to say in Washington gets filtered. Sometimes, my words in Washington don't exactly translate directly to the people, so I've found it's best to travel the country. I'm coming in from Billings, Montana. We had about 12,000 people show up last night to hear my—gave me a chance to talk about what tax relief means and what commonsense budgeting will do for our Nation.

You see, it's the President's job to look for warnings of economic trouble ahead and to heed them and to act. I got elected because the people want the President to act, and that's exactly what I'm going to do. My approach is based upon common sense, and here it is: We must put more money in the hands of consumers in the short term and restore confidence and optimism for the long term; we need an immediate stimulus for our economy and a pro-growth environment for years to come.

Some in Congress want America to choose between these goals, to think of the moment and not the future. But lasting prosperity requires long-term thinking. And if we face facts and act boldly, I'm confident we can build the long-term prosperity we seek.

The American economy is like a great athlete at the end of the first leg of a long, long race, somewhat winded but fundamentally strong. We pioneer new technologies in new industries. The dollar is as respected in Kiev as it is in Kalamazoo. The world's shrewdest investors put their money in America. The world's best students come to study in America. And the world's most ambitious people come to work in America. This is an economy that has done amazing things, and it's on the verge of even greater accomplishments and achievements.

Individuals make it happen. That's what we've got to understand. The future just doesn't happen; individuals make it happen. And the right public policy empowers individuals in America. My policies face reality as we found it and lay the foundation for future growth.

As many Americans know firsthand, U.S. stock markets have been declining steadily for more than a year. The NASDAQ peaked a year ago last March. The Standard & Poor's 500 did the same. The Dow Jones Industrial Average peaked 15 months ago in January of 2000. Since those peaks, the Dow has lost nearly 20 percent of it's value, the S&P more than a quarter of its value, and the NASDAQ more than half of its value. These declines have hurt almost all investors, and they've surprised and worried many new investors.

In the final quarter of 2000, the American economy grew at a sluggish 1.1 percent pace. In that same quarter, there was no growth at all in new business investment. Industrial production began dropping last October, and almost every week brings us reports of layoffs, especially in manufacturing. Michigan has been hit especially hard. According to the latest figures, unemployment has risen more in Michigan over the past year than in any other State of the Union. Some regions of America, and some industries, are doing better, but the trend is clear, and the need for action is urgent.

In the short term, the American consumer needs a hand. About 25 million families are carrying more than $10,000 in credit card debt. Many families have tried to reduce their debt by tapping into their home equity, and partly as a result, the average home owner's equity share in his or her house declined in the 1990's. More than a few consumers counted on their earnings in the stock market to help them carry their obligations. They need tax relief fast. In fact, they need it yesterday. So I strongly support the idea of backdating tax relief to get cash into the consumer's hands as swiftly as possible. And I applaud the Members of Congress, Republicans and Democrats, who have come forward to endorse quick action on tax relief.

Yet, our economy needs more than a pick-me-up, more than a one-time boost. Our economic health depends on people feeling comfort and confidence about long-term decisions to start a new business, to invest in a new idea, to buy a new home. And the people who make those decisions don't care only about this year's tax rate; they care about next year's rate and the year after that.

Immediate tax relief is good news. But tax relief that gets yanked away next year is not such good news. Lower rates do not stimulate much economic activity unless people can rely on them for years down the road. We must rebuild business confidence and market confidence and consumer confidence through a permanently improved business environment. Lower tax rates mean a new home will be more affordable, not just the first year but every year. Lower rates mean that a new investment will have a better chance of success, not just the first year but every year. Lower rates mean that a startup company will keep more of its earnings in not just the first year but in every year.

The long-term growth of our economy also depends not only on real, meaningful tax reductions but also on increasing productivity. America has prospered more than any other major economies in recent years because our productivity has grown faster than that of other major economies and faster than we, ourselves, once believed possible. Since 1995, in fact, productivity has grown nearly twice as fast as it did between 1975 and 1995.

What makes productivity go up? Well, you know as well as anybody, it's education and investment. If our productivity is to continue to grow, our people must know more tomorrow than they know today. They must read better. They must calculate faster and more accurately. They must understand science more deeply. So our education policies must insist upon results. We must be bold enough to measure our children's progress. We must hold schools accountable. And we must give parents and children better options if our schools fail to teach and will not change.

And if our productivity is to continue to grow, our tools and machinery and equipment must work better and faster. Our present Tax Code discourages investment by small business and entrepreneurs. The vast majority of American businesses—the vast majority of American businesses—pay tax on the personal schedule, not the corporate schedule.

It's important for Congress to hear this. The number of unincorporated businesses and sole proprietors are huge. But they're the backbone of economic vitality in America. Back in 1990 they faced a top rate of 28 percent. Today, the unincorporated business can face a maximum Federal rate of nearly 40 percent. Those taxes come right out of cash flow, making it harder for small-business owners to make investments that raise productivity, boost incomes, provide benefits to their workers.

High taxes discourage potential entrepreneurs from taking the risk of starting a new business in the first place. Small business generates approximately 75 percent of America's net new jobs. High tax rates are weighing those businesses down. And so I've

submitted a plan that not only reduces the rate at the bottom end of the economic spectrum but raises the top rate, as well, to give small businesses the lift they need to continue providing the job base that will keep America strong.

Oh, I know you've heard the rhetoric about only certain kinds of people are going to get relief if you reduce all rates. But I want to talk about two things, two principles: One, if we're going to have tax relief, everybody who pays taxes ought to get relief; and secondly, it's important to always remember the role of the Federal Government—or any government for that matter—is not to try to create wealth; the role is to create an environment in which the entrepreneur can flourish, in which a small-business owner can grow to be big businesses.

So it's important to send a message to the Members of the United States Senate to be fair and principled and always remember the role that the small-business owner provides in America. Dropping that top rate makes good, strong economic sense for the future of this country.

My plan also will encourage the saving that makes investment possible. The marginal tax rate on savings can reach 68 percent when the impact of the death tax is combined with that of personal income tax. The death tax is unfair. It taxes a person's assets twice. It discriminates against savings, against investment, and against growth. And my plan repeals the death tax.

And my plan reforms Social Security so that every worker can be a saver and an owner. There is no human dream stronger than the dream of having something you can call your own. It is the promise of America, the promise of independence and dignity. And we must reform the Social Security system to give workers the option of directing some of their payroll tax contributions into personal retirement accounts, give every—every—working American an opportunity to be an owner, not just a wage earner.

We will protect those who rely on Social Security. We'll also strengthen our Nation's greatest social program by making it a powerful source of saving and investment, more money in people's paychecks in the short-term, greater incentives for work and saving in the long-term.

Tax relief is central to my plan to encourage economic growth, and we can proceed with tax relief without fear of budget deficits, even if the economy softens. Projections for the surplus in my budget are cautious and conservative. They already assume an economic slowdown in the year 2001.

Even if the slowdown were to turn into a recession similar to that of 1990 and '91, the Congressional Budget Office projects that the 10-year surplus would shrink by only 2 percent, from a little more than 5.6 trillion to a little less than 5.5 trillion. Of course, there's more to economic growth than just taxes and budget. An industrial economy runs on energy, and we must have a strategy to keep the wheels turning and the lights burning.

I know you've seen the news. The lights are dimming in California. Consumers and businesses in California, the West, and all over our Nation are paying sharply higher energy bills. And as we compare our future energy needs to the currently projected domestic energy supply, we see an ominous growing gap. Our people are paying a high price for years of neglect, and the time to act is now.

I directed Vice President Cheney to lead a task force that will produce the comprehensive energy strategy this Nation needs and has lacked for many years. The energy problem wasn't created overnight, and we won't solve the problem overnight. But we will at last start down the right road, so that the shortages we face today will not recur year after year.

We'll not solve the energy problem by running the energy market from out of Washington, DC. We will solve the energy problem by freeing the creativity of the American people to find new sources of energy and to develop the new technologies that use energy better, more efficiently, and more cleanly.

The tests for any energy policy are simple. Does it increase supply, and do its incentives encourage conservation? A policy that fails to meet these tests is bad public policy, and that is why this administration does not and will not support energy price controls. Price

controls do not increase supply, and they do not encourage conservation. Price controls contributed to the gas lines of the 1970's, and the United States will not repeat the mistake again.

And there's another mistake we won't repeat, the mistake of putting artificial barriers in the way of world trade. When economy slows down, protectionist pressures tend to develop. We've seen this happen before, and it could happen again. So I want to say this as clearly as I can: Trade spurs innovation; trade creates jobs; trade will bring prosperity. If our trading partners trade unfairly, they'll hear from us. This administration will always speak for American interests, but free and open trade is in our national interest. The world will know this, that I strongly and my administration strongly supports free trade.

Twenty years ago hundreds of millions of human beings were walled off from the global economy by the policies of their own Government. And those walls are coming down. And people in Mexico and the Americas and Asia and Africa and eastern Central Europe are being set free to join the world, to understand the promise of market-oriented systems. It's a big change, and change isn't always easy. But trade lifts lives, and trade furthers political freedom around the world. And it will build the wealth of our Nation.

I believe this. I believe I must speak straight with the American people. The American economy began slowing last summer, but we know how to emerge from trouble. I like to look at what my predecessors did in the past. John F. Kennedy supported tax cuts to jump-start a sluggish national economy in the early 1960's. Ronald Reagan used tax cuts to break us out of stagflation in the early 1980's. And I strongly believe that meaningful, real tax relief can ignite another generation of growth, a tax plan that doesn't play favorites, a tax plan that cuts taxes permanently, a tax plan that not only gets money in people's hands quickly but a tax plan that stimulates investment and enterprise and entrepreneurial growth. That's the tax plan I submitted.

You know, some in the Congress are saying, "Well, Mr. President, your plan is too little," and some are saying, "It's way too big." But after careful thought, I can look you in the eye and say, "I think it's just right," and I hope you'll join me.

I remember campaigning here in the great State of Michigan—I think John might remember this—and people kept saying, "Well, it just doesn't seem like your tax plan is getting much steam. Nobody seems interested." And I said, "Well, I think you miscalculated our campaign. It's not one that's based upon polls or focus groups. The campaign I wage and the administration I'll run is one based upon doing what I think is right. I'm worried about hard-working people in America. I worry about the man or woman who goes to work every single day and has high energy bills to pay and credit card debt to worry about. I worry."

I also understand this basic premise of America, though, that we've got to trust the people of the country to make decisions, that the whole fundamental concept of America is based upon individual freedom, and our Government must trust people. And it starts with understanding that the surplus—it is not the Government's money; it is the people's money. And we ought to trust them with their own money.

And that's the fundamental debate in Washington, DC. If you listen carefully, the people up there will use every excuse in the book to increase the baselines of Government. At the end of last year, the discretionary spending in Washington, DC, increased by 8 percent. It's vastly larger than the rate of inflation. So the new administration came to town and said, "Why don't we focus and set some priorities and slow the discretionary rate of spending down to 4 percent?" And I must confess, it created some to squawk and holler.

But we submitted a budget that sets priorities. It doubles Medicare. It sets aside all the payroll taxes for Social Security. It focuses in education. It pays the people who wear the uniform of the military more money. But I think it's important—we pay down $2 trillion of debt. There's $1 trillion set aside over the next 10 years for contingencies, and there's still money left over. And I strongly urge the United States Senate to remember where that money came from. It's the people's money, and we need to send

it back to the people who pay the bills in this country.

Now, this is an issue about trust, as far as I'm concerned. Who do you trust? And I want you to know, I trust the people of this country. I not only trust them to spend their own money more wisely than the Federal Government will spend it, but I trust the people to provide a compassionate tomorrow for our fellow citizens.

You see, I understand the great strength of this country is not in the halls of Government, faraway capitals; it's in the neighborhoods of Kalamazoo, Michigan. It's in the churches and synagogues and mosques that dot this landscape.

We'll debate budgets and line items and all that, but one thing that can't be debated is the true strength of our country lies in the hearts and souls of citizens who hear the universal call to love a neighbor just like they would like to be loved themselves. The true strength of the country takes place in acts of kindness that no Government official probably has ever heard of, where somebody walks across the street and says, "What can I do," to somebody who needs a hand or that Boy Scout or Girl Scout leader who dedicates time to teach a child values or the after-school program run by a Girls' Club or Boys' Club, where somebody says, "Gosh, I'd like to help somebody understand somebody loves them." Now, that's what America is all about.

And our Federal Government not only must trust people with their own money; we must empower the great compassion of America by trusting Americans all across the country. It begins by working on changing the culture of the Nation's Capital, and I think we're making good progress. There's a culture of responsibility beginning to become a part of our Nation's Capital that each of us understand if we're given the awesome tasks that we're responsible for upholding the offices we hold. There's a culture of respect beginning to take hold in the Nation's Capital, where good people can disagree but on respectful terms. The American people are sick and tired of finger pointing and name calling to try to tear somebody down to build themselves up. It's time to have good public policy become the focal point of this Nation's Capital.

And I'm convinced that by changing the tone of Washington and by setting lofty goals and remembering where the great strength of this country comes from, that this land of ours can achieve anything we set our mind to; that not only will this economy come roaring out of its doldrums, but we'll be a land where the fabric is made up of groups and loving centers that really say to somebody, I want you to succeed; that the American hope belongs to everybody who lives in this great land.

I love being your President. I'm honored you're here. Thank you for giving me a chance to state my case, and God bless.

NOTE: The President spoke at 1:42 p.m. in the Student Recreation Center. In his remarks, he referred to Michigan Secretary of State Candice S. Miller; Elson Floyd, president, Western Michigan University; Kevin McCarthy, first vice chair, Kalamazoo County Chamber of Commerce; and State Senator Mike Ross.

Message to the Congress Reporting on the National Emergency With Respect to Angola

March 27, 2001

To the Congress of the United States:

As required by section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), and section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c), I transmit herewith a 6-month periodic report on the national emergency with respect to the National Union for the Total Independence of Angola (UNITA) that was declared in Executive Order 12865 of September 26, 1993.

George W. Bush

The White House,
March 27, 2001.

Message to the Congress Transmitting a Report of the Corporation for Public Broadcasting

March 27, 2001

To the Congress of the United States:

Pursuant to section 19(3) of the Public Telecommunications Act of 1992 (Public Law 102–356), I transmit herewith the report of the Corporation for Public Broadcasting covering calendar year 2000.

George W. Bush

The White House,
March 27, 2001.

Remarks Prior to a Meeting With Congressional Leaders and an Exchange With Reporters

March 28, 2001

Federal Budget

The President. I want to thank the leadership of the House and the Senate for coming up. Today's a big day. The House is going to take up a budget, a budget that is a commonsense budget, one that meets priorities, one that grows discretionary spending by 4 percent, a budget that protects Social Security, a budget that funds Medicare. It's also a budget that recognizes that this Nation needs a tax relief package to stimulate our economy.

I want to thank you for coming, Mr. Chairman. I appreciate you, Chairman Thomas, for working with Members of the House to get the package moving quickly. Later on this week you'll be taking up, as I understand, the child credit and the marriage penalty and, later on, the death tax. And I appreciate your leadership.

I've been very encouraged to see that Members on both sides of the aisle have been talking about the need not only to have immediate stimulus to the economy but certainty in our country, by having rates reduced. But reducing just one rate is not enough. In order to encourage the growth of our small businesses and enhance the entrepreneurial fervor of America we need to cut all rates, so that there's certainty in our economy when people plan. And I'm confident we can get this done. It's in the best interests of our country that we do so.

I want to thank the Senators who are here. We've got a big vote coming up next week on the budget. The chairman is here of the Budget Committee. He's a man who understands the importance of tax relief to stimulate growth. I appreciate you, Mr. Chairman, for your hard work. And we look forward to working with you.

Thank you all for coming.

Campaign Finance Reform

Q. Mr. President, on campaign finance reform——

The President. I'm talking about the budget today. There will be ample time to talk about bills in progress. Today I want America to hear, we're going to get a good budget out of the House, and we'll get a good budget out of the Senate. And it's in the best interests of the working people that we do so.

Q. Will you say if there's——

The President. I'm talking about the budget today.

NOTE: The President spoke at 10:46 a.m. in the Cabinet Room at the White House. In his remarks, he referred to Representative William M. Thomas, chairman, House Committee on Ways and Means, and Senator Pete, Domenici, chairman, Senate Budget Committee. A tape was not available for verification of the content of these remarks.

Remarks in a Meeting With Crewmembers of the Space Shuttle *Atlantis*

March 28, 2001

Well, it's my honor to welcome to the Oval Office some of our leading scientists and entrepreneurs, space entrepreneurs. Ken, thank you very much for coming.

These five folks represented our Nation well in space. They represent the best of the country—very capable, strong, smart citizens who understand that our Nation must always be exploring space. And I'm glad you all are here. Thanks for coming.

Thank you very much, sir, for being here, as well.

NOTE: The President spoke at 11:56 a.m. in the Oval Office at the White House. In his remarks, he referred to Mission Commander Kenneth D. Cockrell, pilot Mark L. Polansky, and Specialists Thomas D. Jones, Robert L. Curbeam, Jr., USN, commander, and Marsha S. Ivins. A tape was not available for verification of the content of these remarks.

Remarks in a Meeting With Technology Industry Leaders

March 28, 2001

Thanks for coming. I appreciate that warm welcome. And welcome to the people's house. It's a nice place to live. [*Laughter*] And I'm glad I'm living here.

I want to thank Lezlee for all her hard work in putting together this group of leaders from around the country. I want to thank the members of the Cabinet who are here, some of whom you'll hear from in a little bit. Elaine Chao and Spence Abraham and Paul O'Neill and Don Evans really represent the best of the country, and I really appreciate the fact that they've left their—left the private sector to serve the country. We've got a really good Cabinet. One of the lessons I learned in the private sector was it's important to set an agenda and to delegate to good, honest people. And I have done so.

I was going to say, thanks for all the Members of the Congress who are here, but I see Members of the Senate who are here. Thank you all for coming. Senator Hatch, Burns, and Allen are some of the very best public servants our country has got to offer, and I want to thank you all for coming. I'm looking forward to working with you on the budget. [*Laughter*]

I first want you all to know that this administration has great confidence in the future of our technology industry. We recognize, like you do, that the stock market may be sending a little different message right now, that people have suffered losses and there are some difficult times for some of the companies in the high-tech world. But the accomplishments of the industry are rock-solid. The future is incredibly bright.

You've changed the way we work and communicate, and you've changed the way we learn. You've done for America—economic leadership in the 21st century—what heavy industry did for America in the 20th century. And all the difficulties you face today really don't cloud a future that is so optimistic and bright.

The social benefits from the tech industry are as sweeping as the economic potential—telemedicine for the sick, distance learning and assistive technology for individuals with disabilities, for example. Your companies symbolize the innovation and optimism of this great Nation. Your success fills us all with confidence in the continued growth of our economy.

You make us all a little prouder to be Americans. You've done so much for your country, it's time for your country to do something for you. I oftentimes say that the role of Government is not to create wealth; it's to create an environment in which the entrepreneurial spirit can continue to flourish.

First things first: We've got to restore consumer confidence. We can help in Washington by returning tax money to the people who pay the bills this year. We can restore investor confidence by building a better business environment for years to come, starting with having a realistic, sound energy policy, a policy that says, of course we can conserve better, but we need new supplies. We need to aggressively seek new supplies. And not only do we need new supplies of natural gas, for example, we need new pipelines to move natural gas. We need new powerplants. We need an aggressive, forward-thinking energy policy that balances the needs of our environment with the needs of the people of the country.

We can also help by having a world of free trade. You know that one of the concerns is if the economy were to slow down like ours, the protectionist sentiments around America might start bubbling to the surface. Ours is an administration dedicated to free trade. I hope the Congress gives me trade promotion authority as soon as possible, so I can negotiate free trade agreements. We should not try to build walls around our Nation and encourage others to do so. We ought to be tearing them down. Free trade is good for America, and it will be good for your industry, as well.

And finally, we need to have lower taxes, instead of bigger Government. We're having a big debate here, but one thing you can't debate is, this is an administration that has put together a progrowth tax relief agenda, the first one in a long period of time. I mean, not only do we need to get money in consumers' hands as quickly as possible, we need to reduce all rates so that entrepreneurs can plan. I can't think of anything worse than to say, "We'll get money into consumers' hands quickly, and then kind of change the rate structure."

And so I want to reduce all rates: the bottom rate from 15 percent to 10 percent; the top rate from 39.6 to 33 percent. People say, "Why would you want to drop the top rate?" Well, let's start with this simple fact that thousands of small businesses pay taxes at the highest rate. The businesses who are unincorporated, the sole proprietorships, the companies that have started in somebody's garage pay at the 39.6 percent tax rate. And by dropping the top rate from 39.6 to 33 percent, we will send a clear message that the role of Government is to create an environment in which the entrepreneur can flourish. By cutting the top rate, we'll provide more cash flow for small businesses to provide more employment.

You know, I've heard all the rhetoric, but the truth is, dropping all rates will be good for our economy, good for planners, good for those who want to think long term. And we can afford it. That's the thing that Congress and the people must hear: We can afford it. There's a lot of issues with the budget, starting with this—that you now have a President who believes in fiscal sanity when it comes to the people's money; that we've increased discretionary spending by 4 percent in our budget. Now, that may sound like a lot to a lot of you all who are now managing your cash accounts and managing your cash flow. After all, a 4 percent increase is greater than the rate of inflation. A 4 percent increase in a budget is greater than most working—the raises working people have gotten this year.

Except the problem is, here in Washington, it's half of—exactly half of what was increased—how the discretionary accounts increased last time. You see, they had a bidding contest, a bidding war last time. It was like, the person who bid the highest got to go home. And therefore, the discretionary accounts increased by 8 percent, and we can't afford that kind of spending in Washington, DC.

So a President and an administration has come along and says, "Let's set priorities, and let's focus, and let's always remember whose money we're spending. It is not the Government's money; it's the people's money." And for those who say we can't afford meaningful, real tax relief that will stimulate the economy, they're the ones who want to increase the size and scope of the Federal Government. They trust the Government to spend people's money, and that's not the philosophy of this administration.

Once we've set priorities, we trust the people to spend their money. We trust the entrepreneurs with enhanced cash flow. We trust the working people to manage their own accounts. And that's the debate here in Washington, and I'm asking for your help. I would like for you to e-mail your Senators. You don't have to worry about the Members of the House. And by the way, you don't have to worry about—don't e-mail these three; they're solid. [*Laughter*]

I'm optimistic. I'm very optimistic. The terms of the debate have somewhat shifted. I can remember campaigning in your neighborhoods, and people would say, "Well, he's just talking about tax relief, and he really might not mean it. People don't want tax relief." The debate is no longer whether or not we're going to have tax relief; the debate is how quickly and how big. And I'm optimistic we can get a good package.

Today the House is voting on the budget. Next week the Senate will vote on the budget. It's going to be a tough vote, but all of us are working hard on behalf of the working people of the country and the entrepreneurs and small-business people of the country, to get a good budget out of the Senate.

Today, as well, I'd like to announce that—a cochairman of the President's Council of Advisors on Science and Technology. He is here with us, his name is Floyd Kvamme. And I'm honored, Floyd, that you take on the position.

Science and technology have never been more essential to the defense of the Nation

and the health of our economy. I will hear the best scientific and technological advice from leaders in your field. And I can think of no better coordinator than Floyd. He is an entrepreneur. He is a risk taker. He understands risk and reward. But more importantly, he knows the players, the people that can bring good, sound advice to this administration, and I'm honored to have you on board.

As well, I've got some good news, and you may have been watching the Senate Banking Committee. But after a lot of work with industry leaders and the administration and Members of the Senate, the Export Administration Act, a good bill, passed the Banking Committee, 19–1.

The technology that you all have helped develop, obviously, gives us an incredible military advantage, and that's going to be important. And it's an advantage, by the way, that we tend—want to develop, to make sure we can keep the peace, not just tomorrow but 30 years from now. We've got to safeguard our advantages, but we've got to do so in ways that are relevant to today's technology, not that of 20 years ago.

The existing export controls forbid the sales abroad of computers with more than a certain amount of computing power. With computing power doubling every 18 months, these controls had the shelf life of sliced bread. They don't work.

So in working with the Senate, we're working to tighten the control of sensitive technology products with unique military applications and to give our industry an equal chance in world markets. And I believe we've got a good bill. It's a bill that I heard from you all during the course of the campaign. The principles we discussed are now a part of this bill. I want to thank Senator Phil Gramm for his hard work in working with us and industry and some Members of the Senate to make sure the bill that has been crafted is a good bill. And I urge the Senate to pass it quickly.

Likewise, we want the R&D credit to be permanent, and we're working with Members of the Senate to do so. A lot of us in this administration have been in the world of taking risk. We understand that one of the most important parts about Government policy is that there be certainty in the policy. And I think making the R&D credit a permanent part of the Tax Code is part of creating certainty, so people can more wisely make investments with cash flow in their capital accounts.

And finally, we have a word about education. We're making great progress in education. I know it's a subject dear to you all's hearts. It should be. Your industry thrives on not only capital, dollars and cents, but it also thrives on human capital. And our Nation must do a better job of educating all children.

The principles inherent in the reform package that we're moving through the Senate and the House are these: One, we expect there to be high standards in public education. To put it this way, every child can learn, and systems that don't believe so need to be changed.

Secondly, I strongly believe in aligning authority and responsibility at the local level. I know full well when you disassociate the two, it provides convenient excuses for failure. A school district will say, "Oh, gosh, I would have done it differently, but the centralized authority made me do it this way." It's time to get rid of all the excuses for failure inherent in our school systems. And one way to do so is to pass power out of Washington, to trust local folks to set the path for excellence for the children in the districts in which they live, in which the local folks live. What I'm trying to say is, the Government closest to the people is that which works best.

And finally, we need to have a results-oriented system all around the country. Here's the way I'm doing it. I'm saying if you receive Federal money, you've got to measure. If you receive help at the Federal level, you, the local district or the State, must measure third through eighth grade. And Sandy Kress will describe what we're trying to do.

But the point is pretty simple. How do you know if children are learning unless you test? The accountability systems are not designed to punish folks. It's designed to make sure children just simply are—are not simply shuffled through the system. We've got to end that practice of giving up on children early.

And so we start early; we measure early; we provide money for remedial education.

Every child counts, and every child can learn. And the whole crux of reform is accountability. And when we measure and find success, we'll praise it. But by measuring, you also—one can also detect failure, and that becomes the catalyst for reforms at the local level. We're going to make good progress on education.

And finally, I believe we're making progress in Washington about changing the culture up here. There is now a—people are beginning to be able to debate in a respectful tone. The country isn't interested in the old style—at least, the politics of the past, where the person who screamed the loudest or had the cutest sound byte was the one that appeared to be the most effective. The country wants there to be a level of respect in our debate. And this is an administration that is working hard to provide that.

We're not always going to agree, but we'll agree to be—we'll disagree in an agreeable way, in a way that brings pride to the system. There is also becoming a culture of accomplishment in Washington. Things are getting done. I signed some legislation that had been incredibly onerous for small businesses and large business, alike. When the Congress moved quickly to get rid of an ergonomics regulation that just—the cost far outweighed the benefits. It would have been harmful to the private sector. It would have been harmful to those who want to employ people. And they got the people's work done quickly and got it through.

Slowly, but surely, we're beginning to get people to focus on results. You see, I know there's a time for politics, and there's a time for policy, and now is the time for good public policy on behalf of the citizenry of the country.

And finally, I hope we'll be able to start a culture of responsibility, that all of us in this country must be responsible for the communities in which we live. I see Barksdale sitting over here. He is a person who sent a clear signal about what it means to be a responsible citizen by supporting public education, and I know many of you all in the audience feel the same way.

But responsibility is not only sharing the wealth that has been generated in important programs, but it's also being responsible as a mom or a dad; responsible for activities that say to a child, "Somebody loves you;" responsible for encouraging mentoring programs in your companies or in your neighborhoods or in your churches or synagogues or mosques. And we're making good progress in the country. And the reason why is, because this is a fabulous country, that's why. This is a country that has got great heart, great spirit, great vision, and great compassion. And I'm proud to be the President.

God bless you all.

NOTE: The President spoke at 2:45 p.m. in the East Room at the White House. In his remarks, he referred to Lezlee Westine, Deputy Assistant to the President and Director of Public Liaison; Sandy Kress, Senior Education Adviser, Domestic Policy Council; and Jim Barksdale, partner, The Barksdale Group, and former president and chief executive officer, Netscape Communications Corp. The President also referred to R&D credit, the research and development tax credit.

Proclamation 7418—Cancer Control Month, 2001

March 28, 2001

By the President of the United States of America

A Proclamation

In 2001, an estimated 1.2 million new cases of cancer will occur, and more than half a million individuals will die from the disease. Standing alone, the figures are discouraging. However, a recent decline in the rates of new cases, as well as cancer-related deaths, offers us hope. The 5-year survival rate has improved for all cancers, and 8.9 million Americans are cancer survivors.

Thirty years of investment in the National Cancer Program following the National Cancer Act of 1971 have accelerated the pace of cancer research. The investment in research has yielded great dividends in the areas of cancer prevention, early detection, better treatments, and improved quality of life for people with cancer. These advances are remarkable, but much remains to be done.

Healthy behavior can greatly reduce the risk of cancer. About 45 million Americans have already quit smoking, but this most

preventable cause of cancer continues to damage public health. Tobacco use causes nearly all cases of lung cancer and more than one-third of all cancer deaths. Children can become addicted to tobacco in a very short time, placing a serious responsibility on adults to help young people stop smoking, or ideally, never start.

Other weapons remain formidable in the fight against cancer. Since 1991, the 5 A Day for Better Health program has spread the message that eating five or more servings of fruits and vegetables daily can improve health and prevent disease. Over the past 15 years, increasing numbers of women have been screened for breast cancer. Continued emphasis on screening for cancer, including colon cancer, can play a vital role in saving countless lives. Clinical trials of new drugs may reveal which ones are most effective in treating cancer. The Cancer Information Service, a free public service of the National Cancer Institute (NCI) and the National Institutes of Health, operates as a national resource for information about cancer. Americans may contact the organization at 1–800–4–CANCER or visit its Internet address at *http://www.cancer.gov.*

Cancer takes a terrible toll on our country. I encourage all Americans to make healthy choices in their personal behaviors. Together, we can help stop cancer and improve the odds of survival for people of all ages.

In 1938, the Congress of the United States passed a joint resolution (52 Stat. 148; 36 U.S.C. 103) requesting the President to issue an annual proclamation declaring April as "Cancer Control Month."

Now, Therefore, I, George W. Bush, President of the United States of America, by virtue of the authority vested in me by the Constitution and laws of the United States, do hereby proclaim April 2001 as Cancer Control Month. By reaffirming the importance of controlling cancer, concerned citizens, government agencies, private industry, nonprofit organizations, and other interested groups can work toward the day when this devastating condition is finally eradicated.

In Witness Whereof, I have hereunto set my hand this twenty-eighth day of March, in the year of our Lord two thousand one, and of the Independence of the United States of America the two hundred and twenty-fifth.

George W. Bush

[Filed with the Office of the Federal Register, 11:40 a.m., March 28, 2001]

NOTE: This proclamation was published in the *Federal Register* on March 29.

Proclamation 7419—National Child Abuse Prevention Month, 2001

March 28, 2001

By the President of the United States of America

A Proclamation

Every child deserves to live in a safe, permanent, and caring family. Regrettably, abuse and neglect continue to threaten the well-being of many young Americans. Each year, more than 800,000 confirmed incidents of maltreatment of children and more than 1,000 abuse-related child fatalities plague our country. We can, and must, do more to fight these tragedies and to protect our children from harm.

Prevention remains the best defense for our children. State Community-Based Family Resource and Support programs sponsor activities promoting public awareness about child abuse and information on how to stop it. Additional initiatives offer education and training to mothers, fathers, and other caretakers. Collaboration among schools, government agencies, faith-based organizations, businesses, community groups, and law enforcement play an important role in helping such efforts to succeed.

During the month of April, let our Nation and her people reaffirm the commitment to making a positive difference in ending child abuse and neglect. Each individual needs to help. Organize or join a community group that offers information or assistance to parents and families. Be vigilant for signs of abuse exhibited by young people in your community. Encourage trust in and support for law enforcement agencies. By speaking out against child abuse and neglect and cultivating an environment that nurtures and

strengthens families, we can give boys and girls the safe, stable, and loving homes they need. They will be able to enter the classroom each day ready to learn, with improved self-esteem. They will be encouraged to reach their full potential as individuals and as members of our society.

Now, Therefore, I, George W. Bush, President of the United States of America, by virtue of the authority vested in me by the Constitution and laws of the United States, do hereby proclaim April 2001, as National Child Abuse Prevention Month. I encourage all Americans to join in the vital task of protecting young people from harm, and I commend the many dedicated parents, educators, social workers, and other concerned citizens who lead by example in doing right by our children.

In Witness Whereof, I have hereunto set my hand this twenty-eighth day of March, in the year of our Lord two thousand one, and of the Independence of the United States of America the two hundred and twenty-fifth.

George W. Bush

[Filed with the Office of the Federal Register, 11:40 a.m., March 28, 2001]

NOTE: This proclamation was published in the *Federal Register* on March 29.

The President's News Conference

March 29, 2001

The President. Good morning. I first want to say how pleased I am that the House yesterday passed on a realistic, commonsense budget to the Senate. I appreciated the vote. They did the right thing. It's a budget that meets our Nation's priorities. It's also a budget that leaves ample room for meaningful, real, long-lasting tax relief. I look forward to working with the Senate to get a budget passed.

I'm also deeply concerned about the escalating violence in the Middle East. It is claiming the lives of innocent civilians on both sides. The tragic cycle of incitement, provocation, and violence has gone on far too long.

Both sides must take important steps to calm the situation now. The Palestinian Authority should speak out publicly and forcibly, in a language that the Palestinian people—to condemn violence and terrorism. It should arrest those who perpetrated the terrorist acts. It should resume security cooperation with Israel.

The Government of Israel, for its part, should exercise restraint in its military response. It should take steps to restore normalcy to the lives of the Palestinian people by easing closures and removing checkpoints. Last week Prime Minister Sharon assured me that his government wants to move in this direction, and I urge Israel to do so.

I'll be meeting with Egypt's President Mubarak next Monday, and Jordan's King Abdullah the week after, to seek their help in defusing the tensions. Egypt and Jordan are two of our most important partners in the region, and their role is crucial.

I've asked Secretary Powell to call Chairman Arafat today and contact other leaders to urge them to stand against violence. Our diplomats in the region are fully engaged in this effort.

Our goal is to encourage a series of reciprocal and parallel steps by both sides that will halt the escalation of violence, provide safety and security for civilians on both sides, and restore normalcy to the lives of everyone in the region. A lasting peace in the region will come only when the parties agree directly on its terms.

This week I vetoed an unbalanced U.N. resolution, because it tried to force the adoption of a mechanism on which both parties did not agree. My approach will be to facilitate the party's work in finding their own solution to peace. We seek to build a stable foundation for restoring confidence, rebuilding security cooperation, and resuming a political dialog between the parties.

I'll be glad to answer some questions.

Ron [Ron Fournier, Associated Press].

Campaign Finance Reform Legislation

Q. Mr. President, the Senate, as you know, is finishing up legislation to ban all soft money. What do you think of the bill, particularly the ban on individual contributions that you forcefully opposed in the campaign? And specifically, sir, would you sign it?

The President. This is a bill in progress. It's a bill that continues to change, and I'll take a look at it when it makes my desk. And if it improves the system, I'll sign it. I look forward to signing a good piece of legislation.

Q. Could you sign a bill that bans individual soft money contributions?

The President. I'll look at the whole bill, and I'll make my determination as to whether or not the bill improves the situation. And I appreciate the hard work that's being done on the legislation. And I'm going to wait until I see the final version.

Yes, Helen [Helen Thomas, United Press International].

Q. Mr. President——

The President Sorry.

Russia/Weapons of Mass Destruction

Q. Mr. President, is your administration reviewing U.S. aid to Russia to stop the spread of nuclear, biological, and chemical weapons? Are you considering reducing that aid, and if so, why?

The President. Well, we're reviewing all programs, those related to de-escalating potential nuclear problems. We want to make sure that any money that is being spent is being spent in an effective way—have the obligation to the taxpayer is to make sure that the money, for example, going to the Russian program, part of Nunn-Lugar, for example, is effective. And so we're putting a full review on the programs.

And we fully intend to continue to cooperate with the Russians. It's in our Nation's best interest to dismantle—work with Russia to dismantle its nuclear arsenal. I was pleased to see that Senator Nunn, one of the authors of the Nunn-Lugar bill, agreed with our approach to take a look to make sure the programs are efficient. And we will continue to do so.

Helen.

Environmental Regulations

Q. Mr. President, in the last few weeks you have rolled back health and safety and environmental measures proposed by the last administration and other previous administrations. This has been widely interpreted as a payback time to your corporate donors. Are they more important than the American people's health and safety? And what else do you plan to repeal?

The President. Well, Helen, I told people pretty plainly that I was going to review all the last-minute decisions that my predecessor had made, and that is exactly what we're doing. I presume you're referring to the decision on arsenic in water. First of all, there had been no change in the arsenic—accepted arsenic level in water since the forties. And at the very last minute, my predecessor made a decision, and we pulled back his decision so that we can make a decision based upon sound science and what's realistic. There will be a reduction in the acceptable amount of arsenic per billion after the review in the EPA.

Q. How about stopping the black lung benefits for families? This is sort of—to increase some of the benefits of these miners?

The President. We will work with members of the delegation and make sure people are properly treated. Ours is going to be an administration that makes decisions on science, what's realistic—commonsense decisions.

For example, circumstances have changed since the campaign. We're now in an energy crisis. And that's why I decided to not have mandatory caps on CO_2, because in order to meet those caps, our Nation would have had to have had a lot of natural gas immediately flow into the system, which is impossible. We don't have the infrastructure able to move natural gas.

We need to have an active exploration program. One of the big debates that's taking place in the Congress, or will take place in the Congress, is whether or not we should be exploring for natural gas in Alaska, for example, in ANWR. I strongly think we should in order to make sure that we've got enough gas to be able to help reduce greenhouse emissions in the country. See, gas is clean, and yet there is not enough of it. And we've got pipeline capacity problems in the country. We have an energy shortage.

I look forward to explaining this today to the leader of Germany as to why I made the decision I made. We'll be working with Germany; we'll be working with our allies to reduce greenhouse gases. But I will not accept

a plan that will harm our economy and hurt American workers.

John [John Roberts, CBS News].

Stimulus Package/Tax Cut Legislation

Q. Mr. President, new figures out today show that the economy grew at an annual rate of one percent for the last 3 months of the year 2000. My question to you, sir, is, what are you prepared to do to immediately stimulate the economy? Because it would appear that your long-term tax package does not do it, yet you dismiss out-of-hand attempts from the Hill to give back a rebate of some $60 billion this year unless it's tied to longer-term tax relief. Why can you not sign a short-term package and then pursue your long-term package separate to that?

The President. Well, John, first of all, I support the efforts on the Hill to provide immediate tax relief. I've been calling for immediate tax relief. I think it makes sense to do so. But we've got to have long-term relief, as well. Part of building confidence in our economy is not only give the consumers a boost but to have a plan that reduces rates for the long term, so that people who make investments—small-business owners, the entrepreneurs—will have certainty that the cash flows of the future will be enhanced, so they can expand their job base and make new capital purchases.

I appreciate very much what the leadership in the Senate have—Tom Daschle, for example, talked about immediate tax relief or immediate rebates, plus reducing rates permanently. We just need to reduce more rates than the ones he suggested.

There is a debate going on here in Washington, and it's really, do you want to increase the size of the Federal Government, or do you want to give—let people keep their own money? And there's a philosophical divide. And I'm going to continue to stand on the side of the people, and make it as clear as I can that we've met our priorities in the budget I submitted, and it's not only good for the economy, though, to give people their money back, it's good for working families, so they can have more money to manage their own accounts.

There's a lot of focus about national debt in Washington. But it's important for Congress not to forget a lot of folks have got consumer debt, as well. And when you couple high energy prices with consumer debt, a lot of folks are in a squeeze. And I look forward to continuing to make the case.

Q. But with respect, sir, as this debate continues, consumers are not seeing any more money back in their pockets.

The President. That's exactly right. And you've got a good point—consumers haven't seen any money back in their pockets. That's why it's important for the Senate to act quickly on the budget. I hope there's no delay next week when it comes to the budget considerations. I look forward to working with both House Members and Senate Members, once the budgets have been passed, to get tax relief enacted quickly and to get money as quickly as possible into the people's pockets.

Yes, Gregory [David Gregory, NBC News].

Q. Mr. President, you're no longer negotiating with yourself on tax cuts. There are a lot of other approaches that are out there. Why not say today exactly what you're willing to do to appease both moderate Republicans and Democrats who fear that those projected budget surpluses won't materialize, and they want some way to cut off a tax cut, if that's the case, if we can't afford it? What will you do?

The President. Listen, I'm anxious to talk to Members of the Senate about the so-called look-back provisions. But I'm going to remind people that one-way budget surpluses will not materialize is if Congress overspends. And so any look-back procedure has got to make sure that there are restraints to Government spending. The surest way to eat up the surplus is to have the kind of spending that took place during the last fiscal year, when the discretionary spending increased by 8 percent.

And by the way, I'm still negotiating with myself. People keep—I get a suggestion from here and a suggestion from there. So-and-so suggests something. And good Americans, such as yourself, are trying to get me to negotiate with myself.

Q. Can I just——

The President. Yes, you may.

Q. Let me just bring up another suggestion. [*Laughter*]

The President. Another chance to negotiate with myself?

Q. Will you sign or veto tax cuts that exceed $1.6 trillion, even if it would result from—that increase would result from an immediate stimulus to the economy this year?

The President. David, I hope that Congress does not diminish the size of the tax relief package that I've sent up there nor increase the size of the tax relief package I've sent up there. The 1.6 is the size that I think is right. We've had a lot of discussion here in Washington about whether it's too big or too small. Nothing has changed my opinion as to whether or not—about the size of the package I sent. It's the right size.

Don't worry about the beeper violation. [*Laughter*] It's a new approach. Gordon [Assistant Press Secretary Johndroe] taught me a lesson.

Situation in the Middle East

Q. On the Middle East, sir. For a couple months, both you and officials in your administration have indicated you wanted to step back from constant involvement of the U.S. and the President in the conflict and in the peace process. Was that a mistake, given the escalation in both violence and the rhetoric over there? And is what you're doing today essentially an admission that the involvement of the United States and the President of the United States publicly and personally is necessary for the parties to succeed?

The President. Terry [Terry Moran, ABC News], I have said all along that this Nation will not try to force a peace settlement in the Middle East, that we will facilitate a peace settlement. It requires two willing parties to come to the table to enact a peace treaty that will last. And this administration won't try to force peace on the parties. That's what the U.N. tried to do the other day. They tried to force a situation in the Middle East to which both parties did not agree. That's why I vetoed their suggestion.

We have been fully engaged in the Middle East. We're on the phone all the time to the leaders. I'm welcoming leaders to come. In order for there to be a peace, this country must develop a—what I call a broad foundation for peace. That means we've got to have good, strong relations with the Egyptians and the Jordanians and the Saudis.

As you may remember, the Secretary of State went to Syria to sit down with Bashar. And we've got a lot of work to do in order to build that foundation for peace, but we're going to make a full-time effort to do so.

But our fellow citizens have got to realize that in order for there to be a peace, there has to be two willing parties. And we will continue to try to convince the parties to become willing to sit down and negotiate a lasting peace. But this country cannot impose a timetable nor settlement on the parties if they're unwilling to accept it.

Q. But merely to contain the violence, sir, do you personally need to get more involved? Is that what you're doing today?

The President. I am involved on the telephone. I met with Prime Minister Sharon. I'm talking to our allies and friends in the Middle East. I've instructed the Secretary of State to call Mr. Arafat. And implicit in your question is the first step, and that is the violence must cease in order for there to be any meaningful dialog in the Middle East. And so we're in the process of trying to bring calm to the region, and it's going to require more than just one voice.

Obviously, our voice is an important voice for bringing calm to the Middle East; so are other nations. And I look forward to visiting with President Mubarak and King Abdullah to lend—to rally them to try to convince, particularly in their case, Mr. Arafat to speak out against violence in a language that the Palestinians can understand.

Q. Mr. President——

The President. Major [Major Garrett, Cable News Network].

Arctic National Wildlife Refuge/Energy Resources

Q. You have mentioned today that there is an energy crisis——

The President. Yes.

Q. ——and yet the budget resolutions that have passed the House and are due to be considered in the Senate next week do not include any revenue from the drilling in the Arctic National Wildlife Refuge. I have talked to the people who have made that decision, and they said it is a political fight, they

believe unwinnable, that you could not, nor could they, create the majorities in either the House or the Senate to bring about drilling in ANWR—your number one solution—or one of the top solutions to dealing with the energy crisis. Does this not represent a rejection from your own party in dealing with the energy situation?

The President. Well, Major, first of all, there are other areas in the United States on which we can find natural gas. I think it's important for us to open up ANWR. Whether or not the Congress sees it that way is another matter. That's not going to deter me from having, for example, the Interior Secretary look at all lands that are not—not to be fully protected, for exploration. We've got a plan to make sure that gas comes—flows freely out of Canada into the United States. I talked to the Prime Minister about that.

What I find interesting is that I think—we have meaningful discussions about exploration in the Northwest Territories, right across the line, admittedly miles away, is ANWR. But nevertheless, it's a big, vast region of natural gas. And it's important for us to explore, encourage exploration, work with the Canadians to get pipelines coming out of the Northwest Territories to the United States.

I've talked to the President of Mexico about a policy. There's going to be a lot of areas where we can find natural gas in America other than ANWR. It would be helpful if we opened up ANWR. I think it's a mistake not to. And I would urge you all to travel up there and take a look at it, and you can make——

Q. On energy——

The President. Let me finish please—and you can make the determination as to how beautiful that country is.

Q. If I may follow up.

The President. Yes, Major.

Q. If the American people, looking to you to deal with the energy crisis, and you cannot look to your own party to deal with what you and your own advisers have said is a crucial area in which to explore, how can the American public have confidence in your ability to deal with Congress to address the situation you have called today a crisis?

The President. There's a lot of other areas we can explore, Major, and one of them is to work with the Canadians. There's gas in our hemisphere. And the fundamental question is, where's it going to come from? I'd like it to be American gas. But if the Congress decides not to have for exploration in ANWR, we'll work with the Canadians.

I'm interested in getting more energy supply so that businesses can grow and people can heat their homes. We've got a shortage of energy in America. And it doesn't matter to me where the gas comes from in the long run, just so long as we get gas moving into the country, so long as we increase supply of natural gas.

And we also need to have clean coal technologies, as well. And we need a full affront on a energy crisis that is real in California and looms for other parts of our country if we don't move quickly.

Senator John McCain

Q. Mr. President, as I'm sure you've been aware, there are stories consistently about tensions, persistent tensions between you and Senator John McCain, dating back to your rivalry in the primaries. I wonder if you could address that, not just on the campaign finance reform bill but also on the Patients' Bill of Rights, which McCain supporters believe you don't want to sign a Patients' Bill of Rights with McCain's name on it.

The President. Well, look, this is Washington, DC, gossip, is how I view it. I respect John McCain. I like him a lot. That doesn't mean we're going to agree 100 percent of the time. Obviously, we've got some differences; that's what a primary was all about, airing our differences. But I respect John. I realize—it's a game in Washington to try to create tension between John McCain and me, and I'm not going to let it happen.

I can't control the stories that seem to be popping up all the time—faceless aides that are out there trying to stir the pot. I can just give you my perspective. I like him. He's a good man. We have some differences, and I think the idea, for example, of having a $5-million cap on punitive damages is just not the right public policy. But that shouldn't surprise you. After all, I've signed a bill in the State of Texas with a $750,000 cap on

punitive damages. That's nothing personal, just a difference of opinion. And the idea of the President laying out a framework for debate and some guidelines is perfectly acceptable practice in Washington, DC.

Campaign Finance Reform Legislation

Q. Just to follow on that. When you sent the signal, and your aides did, to Congress that they could not count on you to veto a campaign finance reform bill, what message were you sending? A lot of people interpreted it that you're saying to Congress, if you don't like it, kill it, because I won't.

The President. No. As I said, I look forward to signing a bill that makes the process better. Sometimes the legislators will say, "Oh, don't worry, we've got the President." I'm not sure exactly what that means, except if a bill that improves the system makes it to my desk, I'll be inclined to sign it. I, of course, reserve all options to bills that are forever changing, and those who follow the process know, but I'm going to—I will make my decision once the bill makes it to my desk.

Chairman Yasser Arafat of the Palestinian Authority

Q. Can I ask about the Palestinians, sir? Why is it that you have not decided to invite Yasser Arafat here? Have you concluded that he's part of the problem, not part of the solution?

The President. Well, we're going to work with all parties. As I mentioned, the Secretary of State is calling Chairman Arafat today to urge him to stop the violence and to call upon those over whom he's got influence to stop the violence. I've got quite a crowded calendar of leaders who are coming to see me, and I'm looking forward to visiting with President Mubarak and King Abdullah.

Mike [Mike Allen, Washington Post].

Q. I'm sorry, can I follow, sir?

The President. No. Just teasing. Go ahead. Just testing. [*Laughter*]

Q. The Palestinians think you're sending them a signal. Are you?

The President. The signal I'm sending to the Palestinians is, stop the violence. And I can't make it any more clear. And I hope that Chairman Arafat hears it loud and clear. He's going to hear it again on the telephone today. This is not the first time the message has been delivered. It's so important, in order for there to be any kind of discussion about peace, that we stop the violence in the Middle East.

Foreign Relations

Q. Mr. President, allies of the United States have complained that you haven't consulted them sufficiently on your stance for negotiations with North Korea, Kyoto treaty; we have deteriorating relations elsewhere. If you read the international press, it looks like everyone is mad at us. Mr. President, how do you think that came to be, and what, if anything, do you plan to do about it?

The President. Well, I get a completely different picture, of course, when I sit down with world leaders. I'm looking forward to sitting down with Mr. Schroeder here in about 30 minutes. I've had very honest and straightforward visits with many of the world's leaders. There's—I'm sure there were some concerns initially, because they didn't know me. And they heard all kinds of rumors about what our administration would be about. And I now have the chance to sit down and talk to them, face to face.

I'm a pretty straightforward fellow, Mike. I don't mind making my case, and it's important. It's important for world leaders to know exactly where the United States is coming from.

On missile defense, for example, I've assured our allies that we will consult with them. But we're moving forward to develop systems that reflect the threats of today. I mean, who knows where the next terrorist attack is going to come from, but we'd better be ready for it. And I believe I've got the opportunity to convince our friends and allies that our vision makes sense. It brings a lot of common sense to an old, stale debate, the old arms control debate.

In terms of the CO_2 issue, I will explain as clearly as I can, today and every other chance I get, that we will not do anything that harms our economy, because, first things first, are the people who live in America. That's my priority. And I'm worried about the economy. I'm worried about the lack of an energy policy. I'm worried about rolling blackouts in California. It's in our national

interest that we develop a strong energy policy, with realistic, commonsense environmental policy. And I'm going to explain that to our friends.

It is in their interest, by the way, that our economy remain strong. After all, we're a free trading administration. We trade with each other. People are beginning to learn what my administration is like. And they're going to find we're steadfast friends. But a friend is somebody who's willing to tell the truth, and if there's a disagreement, to be able to state it clearly, to make it clear where we disagree.

But for those who worry about our willingness to consult, they shouldn't worry. We are. We're going to be openminded, and we'll have open dialog.

Yes, sir.

Q. Mr. President——

Q. Mr. President, you gave me the floor.

The President. You're next. No, next to next. Let me rephrase it: You're last. [*Laughter*]

Q. No problem.

Tax Cut Legislation

Q. Just to clarify on tax cuts, I wanted to clarify the linkage that you feel is necessary. You have said that you want to have a tax cut rate reduction, and you also support the efforts to try to do a quick retroactive tax cut. When you speak of those two things, will you insist upon one package of bills that includes the rate reduction and any kind of quick short-term stimulus, or would you except some kind of verifiable promise that they'll get to your tax cuts later?

The President. That's the old "trust me". [*Laughter*] Look, it is in our Nation's best interest to have long-term tax relief. And that has been my focus all along. I'm confident we can have it—get it done. I believe not only can we get long-term tax relief in place, since there were countries running some surpluses in spite of the dire predictions about cash flow; I believe we have an opportunity to fashion an immediate stimulus package, as well. The two ought to go hand in hand.

Those who think that they can say we're only going to have a stimulus package, but let's forget tax relief, misunderestimate—excuse me, underestimate—[*laughter*]—just making sure you were paying attention. [*Laughter*] You were—[*laughter*]—underestimate our administration's resolve to get this done.

Q. Can I ask a followup real quick?

The President. No. [*Laughter*] Go ahead.

Q. Just quickly. The Democrats have demonstrated some flexibility on reducing the lower end of the tax rate reductions. How do you feel about the top? There's talk about the top rate not being as big as you proposed——

The President. Of course we ought to talk the top rate. But see, you're trying to do what Gregory tried to get me to do, which is negotiate with myself again.

Q. What's wrong with that?

Q. I negotiate with Gregory over this——

The President. Please do. When you all come up with a solution, let me know. Gregory is in the top one percent. [*Laughter*] If not, you should be, David.

Last question.

Free Trade in the Americas

Q. Thank you, sir. Mr. President, you spoke about free trade at the last press conference. You've mentioned it today. You'll be meeting tomorrow with the President of Brazil, Fernando Henrique Cardoso. He is the one person—at least Brazil is the one person in the continent, or the one country, who is not in a rush to come to a free trade agreement. They prefer Mercosur, the free trade agreement in South America. Is your administration interested in getting the free trade agreement by 2003 year instead of the 2005 year that's been agreed? And how do you expect to convince Mr. Cardoso tomorrow to follow that?

The President. Well, I—the sooner we can get a free trade agreement in the hemisphere, the better. As to whether or not it's 2003 or 2005, that's—we'll just have to see if we can't convince our friends in South America of the wisdom of doing it as soon as possible.

The meeting tomorrow is going to be an important meeting. Brazil is a huge country. It's got a significant role in our hemisphere, and it's got a very bright future. To the extent that the country is skeptical about our intention to have free and fair trade, I have a

chance to undermine that skepticism, and I'm going to. I'm going to look the man in the eye and say, "We are free traders."

I will work with, and I'll have Bob Zoellick work with his counterpart to assure him that trade with America will be done in a free and fair way. I think we can make some progress, but we'll see after the meeting.

Thank you all. See you tonight, right? Look, I'm just testing a few lines on you by the way. [*Laughter*]

Q. Let's hear a few.

The President. You just heard one, but you'll see when you hear me. [*Laughter*]

NOTE: The President's fourth news conference began at 10:32 a.m. in the James S. Brady Briefing Room at the White House. In his remarks, he referred to Prime Minister Ariel Sharon of Israel; President Hosni Mubarak of Egypt; King Abdullah II of Jordan; former Senator Sam Nunn; Prime Minister Jean Chretien of Canada; President Vicente Fox of Mexico; President Bashar al-Asad of Syria; and Chancellor Gerhard Schroeder of Germany.

Remarks Prior to Discussions With Chancellor Gerhard Schroeder of Germany and an Exchange With Reporters

March 29, 2001

President Bush. It's my honor to welcome the German Chancellor here to the Oval Office. We've just had a very constructive lunch. The briefers told me that the Chancellor is a very straightforward person. They were right, and for that I am grateful, because we were able to get to the point.

And the first point we made—and you'll see this in the joint communique we issued—is that our countries are strong friends. I assured the Chancellor that my administration will work to keep our relations strong.

We agree on many, many issues; there's a few we didn't agree on. But as good friends, we can disagree and, yet, still be friends. I appreciate the leadership of the Chancellor. I appreciate so very much Germany's role, for example, in trying to keep the peace in Macedonia. By working together, we can stabilize that region. The Government of Macedonia is a government made up of different factions. We, of course, are working together to make sure that the legitimate rights of all people in Macedonia are recognized.

Germany has done more than just work the diplomatic side; they've also provided troops in the KFOR, along with the United States, to enforce the border. And as a result of our joint efforts, there is good hope that the region will be stable. And for that, Mr. Chancellor, thank you for your leadership. It's an honor to welcome you here, sir.

Chancellor Schroeder. Thank you very much, Mr. President, for those very kind words. Ladies and gentlemen, now let me share with you how very pleased, indeed, I am, that after having two phone calls so far, I now had an opportunity of finally meeting the President in person.

Let me also share with you that it was a very, very pleasant impression I had, indeed. It was wonderful to see the degree of openness that we had, the frankness we had in the meeting, and also the level of agreement that there was between us.

Mr. President is very right, indeed, when he emphasizes the fact that the ties between the United States of America and Germany are very, very firm. They're very friendly ties which are, in fact, based on joint values that we share and that are deeply rooted in each of our Constitutions, too.

Now, we have obviously addressed a wide range of international topics, questions, and international political affairs. There was a lot of agreement. I can agree with Mr. President; we agreed on practically everything, except, obviously, for one thing, and that was no surprise to you, the Kyoto Protocol.

But here, yet as well, we have different opinions, and we are happy to admit to you that we hold different opinions regarding this. We were also happy to admit to one another that we had different positions on this. But here, too, we very much would like to see to it that we, hopefully, jointly act on other fields in and around—on climate policy. We have addressed the subject of solar energy, for example. We have said that there would be ways of energy efficiency, of more efficient use of energy as such. So we will be conjointly looking at some topics that could all contribute to a better climate in the future.

And to all of that, yet again, we have done on the basis of this very, very friendly spirit that reigned between us; a basis is not only one that can take the strain of this, but it will, indeed, and happily so.

In a nutshell, one last thing I would like to say. We are both firmly convinced that it is a prime aspect of both of our jobs to make sure that the economies in our respective countries are going well and strongly, and we have to keep them robust. And where that is not the case, we have to get them back on track.

President Bush. We'll take two questions from the Americans and two questions from the German press, alternating.

Kyoto Protocol on Climate Change

Q. Mr. President, on the Kyoto Protocol, the friendly atmosphere here is not matched in some statements in the German Government in Berlin and in other capitals. What's your reaction to the criticism that you've abandoned the effort to contain global warming? And what in particular don't you like about the Kyoto Protocols?

And Mr. Chancellor, what practical, pragmatic effect will this difference of opinion have on the effort against global warming?

President Bush. Well, first, I explained this as clearly as I could to the Chancellor, and I'm glad to do it again to you. I did so earlier in a press conference, as you may remember.

Our economy has slowed down in a country—in our country. We also have an energy crisis. And the idea of placing caps on CO_2 does not make economic sense for America. And while I worry about emissions—and we'll work together to achieve efficiencies through new technologies, and I'm confident we can do that—I'm also worried about the fact that people may not be finding jobs in America.

And I will consult with our friends. We will work together. But it's going to be in what's in the interest of our country, first and foremost, Terry [Terry Moran, ABC News]. And the idea that somehow we're supposed to get enormous amounts of natural gas on line immediately, in order to be able to conform to a treaty that our own Senate sent a very overwhelming message against and many other countries haven't signed, makes no economic sense; it makes no common sense.

So I'm worried about our economy. I'm worried about our own domestic energy situation. But I'm confident we can find new ways to think about reducing greenhouse gases. And I look forward to working with a country like Germany. Germany is on the leading edge of technology. They've got some of the greatest engineers in the world. And together we can work together to come up with new efficiencies.

Chancellor Schroeder. Obviously, those are all the fields of cooperation which the President just mentioned and which I, obviously, very highly welcome.

Regarding the Kyoto Protocol, we have the pleasure of hosting the successor conference to the one in The Hague, in Germany this year. And, well, when it comes to that, His Excellency, the President, and his government will be called upon to take a decision as to how they, to put it casually, want to play it with protocol and with the ongoing conference in Germany. Whether they will, on the one-hand side, which would be a possibility, give an opportunity to others to still continue with what they think is right by not voting against it or to not do so.

Now, obviously, this is an issue for the President and his country to decide. But we very strongly have agreed that the conference, as I just said, is going to take place, I think, in June or July, in Germany, that our respective staff are going to get together and talk about the issue.

President Bush. Somebody from the German press?

Q. How are the 14 EU heads of state going to feel about the reaction that you just stated to the Kyoto problem and to the President's attitude about it? I would have so clearly expected you to be against it and speak up against it, obviously, so how are they now going to feel?

Chancellor Schroeder. No, I certainly have no headache about that whatsoever. I have heard what the President has said regarding this matter. Not only I have heard it, people in Europe have heard it, too. And some of the European governments have heard it and have criticized it, obviously. That

is a normal process in politics. And we'll take it on from there. Obviously, we'll continue discussing these issues.

National Missile Defense/European Strike Force

Q. Mr. President, did military matters come up today, specifically, missile defense, European strike force?

President Bush. Missile defense came up, you bet. And we'll talk about the European strike force after you clear the room. But I'm looking forward to it. Our joint communique addresses a lot of these issues.

I explained this to the Chancellor, that we want to help folks think differently about the post-cold-war era, and we want to develop defenses that are capable defending ourselves, defenses that are capable of defending others, who so choose to, against the true threats of the 21st century. Russia is not our enemy. The true threat of the 21st century is the extremists who can't stand what Germany or America believes in. They resent our freedoms. They resent our successes. They resent our prosperity. And I look forward to working with our friend as we move down the road toward assessing and addressing the true threats that face us.

I'll let the Chancellor speak for himself on his view. But I've found there to be somebody who is at least interested in our point of view, and for that, I'm grateful.

Chancellor Schroeder. Here, too, yet again, I can say that I cannot recommend taking a lump-sum view, a generic view, at whatever we're talking about. And we shouldn't have a generic view regarding NMD or missile defense, either.

Now, obviously, I think in assessing such a comprehensive topic we also have to look at things like the defensive potential that lies within a potential system. We have to see the potential upside in terms of disarmament opportunities that might be in there.

Obviously, we'll also have to look into lots of technical aspects, such as the threat scenario that is behind the whole system. Is it technologically feasible? Can we truly implement it? Who is going to be covered under the shelter? Who's going to be invited to be included by the shelter that we're going to build? What are going to be repercussions for the global disarmament process? What are going to be the repercussions on Russia and on China, for example?

Those are all things that I think we need to think about and talk about in an ongoing process. And I can only say how very pleased, indeed, I was to see that the President declared himself ready for an open, ongoing discussion about all of these things.

President Bush. Okay, since Terry asked two questions, it's over. [*Laughter*]

Q. Mr. President, were you able—concerning the U.S. defense system, would Europe and Germany, as part of Europe, be able to contribute and to participate in? Was that something you were able to offer and assure the Chancellor of?

And Mr. Chancellor, would you be able to say that you'd be willing to participate when the time comes?

President Bush. Well, first of all, it's my first chance to sit down with the Chancellor and explain our philosophy about how we're trying to shape the thinking in the post-cold-war era.

I did explain to him what I've explained to the American people, that not only do we need to develop defenses, but we're also going to reduce our own offensive capability. And maybe people will follow; maybe they won't. But we're going to move, anyway, once the Defense Department puts a thorough review as to what we need to keep the peace.

In terms of whether or not we develop a technology that will help make Europe more peaceful or America more peaceful or the Middle East more peaceful, whatever it is, I'd be more than willing to discuss the technologies and share technologies with our friends.

But we haven't gotten—you know, today was the first step toward me making the rationale as to why I took the position I took. And the positive development I thought was that the Chancellor was listening and understood—I believe understood the philosophy and the peaceful philosophy inherent in our strategy.

Chancellor Schroeder. I think it would be wrong at this point in time to assume that what we're trying to do here is that we're kick-starting an armament process for the whole of the world. My personal perspective

is that I think the contrary will be the case. And I think the debate about involvement and who does what in the process is one that will come subsequent to having discussed the general, basic things.

But then, certainly, when it comes to the involvement and also participation in terms of industrial policy, certainly we'll be interested.

President Bush. Nice to see you all.

NOTE: The President spoke at 12:53 p.m. in the Oval Office at the White House. Chancellor Schroeder spoke in German, and his remarks were translated by an interpreter. A tape was not available for verification of the content of these remarks.

Joint Statement With Chancellor Gerhard Schroeder on a Transatlantic Vision for the 21st Century

March 29, 2001

The United States of America and the Federal Republic of Germany are linked by a deep friendship. Our meeting today opens a new chapter in our close relationship. At the beginning of the 21st century, we reaffirm our common commitment to the lasting principles which are at the basis of the Transatlantic community of values—freedom, democracy and human rights. On this basis, we are resolved to strengthen and further develop the partnership between the United States of America and Europe. In the age of globalization we want to give it a new quality.

We agree that our cooperation within the Atlantic Alliance continues to be of decisive importance for the security and stability of the Euro-Atlantic region and that this includes an adequate military presence of the United States in Europe. The Atlantic Alliance has adapted itself to the historic changes in Europe after the end of the Cold War and today also plays an important role in promoting stability in the states of Central, Eastern, and Southeastern Europe. The openness of the Alliance for new members and its offer of a comprehensive partnership to the new democracies on the European continent contribute to peace and security in all of Europe. They are directed against no one.

We share the view that Russia can make an important contribution to maintaining peace and stability in Europe and the world. We encourage the Russian government to further pursue a policy of democratic reforms and offer our cooperation to this end.

We will be partners for the states in Southeastern Europe on their way into a peaceful future. War, aggressive nationalism and extremist acts of violence must belong to the past. We will lend our support to the process of stabilization and democratization in the Balkans, continuing to act in close consultation and jointly. In these efforts, the Stability Pact will continue to play a central role.

Both our countries have long-standing commitments to the territorial integrity of Macedonia. We strongly condemn the violence perpetrated by a small group of extremists trying to destabilize that country's democratic, multi-ethnic government. Their violent methods are hurting the long-term interests of ethnic Albanians in Macedonia, Kosovo, and throughout the region. We strongly support President Trajkovski and the Macedonia government in taking proportionate steps to prevent further violence and urge that they work closely with elected representatives of the Macedonian Albanian community to address legitimate minority concerns. We welcome steps being taken by NATO, the European Union, and the OSCE to help Macedonia contain the insurgents as well as to facilitate a political solution.

We are convinced that the uniting Europe will enrich Transatlantic relations. From the beginning, the United States of America has offered its support to European unification, for a Europe that is strong and capable lies in the interest of the United States just as much as Europe needs a strong American partner. Therefore we view the development of a European Security and Defense Policy as an important contribution to sharing the burden of securing peace which will strengthen the Atlantic Alliance.

The United States and Germany welcome the efforts of the European Union to assume greater responsibility for crisis management by strengthening capabilities and developing the ability to take actions where NATO as

a whole chooses not to engage. In this regard, the United States welcomes the European Union's European Security and Defense Policy (ESDP), aiming at making Europe a stronger, more capable partner in deterring and managing crises affecting the security of the Transatlantic community. This involves:

- Developing EU capabilities in a manner that is fully coordinated, compatible, and transparent with NATO;
- The fullest possible participation by non-EU European NATO members in the operational planning and execution of EU-led exercises and operations, reflecting their shared interests and security commitments as NATO members;
- Working with other EU members to improve Europe's capabilities and enables the EU to act where NATO as a whole is not engaged.

Together we are resolved to undertake new efforts in countering the proliferation of weapons of mass destruction (WMD) and increasingly sophisticated missiles for their delivery. We agree on the need for substantive bilateral consultations, as well as close consultations with other allies and interested parties. We will work together toward a post-Cold War strategy that increases our common security and that encompasses the appropriate mix of offensive and defensive systems, and that continues nuclear arms reductions and strengthens WMD and missile proliferation controls as well as counter-proliferation measures.

We are resolved to increase our efforts to abolish barriers impeding trade between the European Union and the United States of America. In areas where we have differences of opinion we will strive to bring our positions closer together.

In the framework of G–7/8 we will contribute to helping the poorest countries in drawing more benefit from technological development, in particular in the field of information technology. Together we will also increase our efforts towards bringing about a stable global finance system. This will also be of help in overcoming hunger, poverty, and disease in large parts of the world that represent a challenge to all of us.

We share a common concern about global climate change. We openly note that we differ on the best way to protect the earth's climate. The Federal Republic of Germany, host of the Climate Change Conference in Bonn in July, emphasizes that the targets to reduce greenhouse gases agreed in Kyoto are indispensable to combat global climate change effectively. The United States opposes the Kyoto Protocol because it exempts many countries from compliance and would cause serious harm to the American economy. Both sides, however, are prepared to work constructively with friends and allies to solve the problem. In this context they deem it necessary to develop, among other means, technologies, market-based incentives, and other innovative approaches to meeting the challenge of global climate change.

We attach particular importance to the fight against HIV/AIDS. We want the G–7/8 to intensify their efforts to ease the suffering of millions of people who are inflicted by this disease. We consider it to be of particular importance for the pharmaceutical industry to take additional measures so that HIV/AIDS patients in affected developing countries can be supplied with medication at affordable prices.

We welcome the agreements on the establishment of the German Foundation Remembrance, Responsibility, and the Future for compensation payments to former forced laborers. We note with great satisfaction that the German companies now have made available their total share in the Foundation. We call for a swift implementation of the agreements on all-embracing and enduring legal peace so that payments to the aged former forced laborers can begin as soon as possible.

German-American friendship constitutes a pillar of Transatlantic relations. It must continue to be based on broad popular support in the new century. To this end, we will, on both sides of the Atlantic, encourage even more contacts among members of the younger generation.

NOTE: An original was not available for verification of the content of this joint statement.

Remarks to African-American Leaders

March 29, 2001

Thank you all. The legislative branch is always trying to take something from the executive branch. [*Laughter*] Thank you, J.C., for helping set up this meeting. And thank you all for coming. It's my honor that you're here, and I want to welcome you to the people's home.

Before I begin, I do want to make mention of the fact and ask you to join me in a moment of silence—a Member of the United States Congress passed away today, Norm Sisisky from the State of Virginia. I know you'll join me in asking God's blessing on Norm, as well as on Rhoda and his four sons and seven grandchildren.

[*At this point, a moment of silence was observed.*]

Amen. Thank you very much.

Secretary Paige, thank you very much for being here. I've known Rod a long time. You may remember, at one time I was the Governor of the great State of Texas. [*Laughter*] And we had a superintendent of schools in our largest school district who insisted that every child could learn. And he caught my attention by saying that—and then not only did he insist that, he worked hard to make sure that that was the case. And it's such an honor to have Rod make the sacrifice of moving from Texas up here and becoming the Secretary of Education. People are going to be proud of the job he does. It doesn't matter what your political party is; you'll be proud of the job this man does. Thank you, sir.

I know the Lieutenant Governor of the great State of Colorado is here, Joe Rogers. And I don't know if Kenny Blackwell is here from Ohio. We've got elected officials, I know, from Oregon and Nevada and all around the country. Thanks for coming.

I love the old words of Jackie Robinson—he one time said when President Kennedy did something he disagreed with, he said: "The President is a fine man, but he reserved the right to change his opinion." [*Laughter*] Every President, whatever his party, is judged not only by the words he speaks but, more importantly, by the work he leaves behind. And that's what I hope my administration is judged on—by the work we leave behind.

I will constantly speak for the values that unite our country: personal responsibility, equal justice, equal opportunity for everybody. These are important common values. And I've set this administration to the work of putting those values into practice and into law.

The work begins where opportunity usually begins, and that's in the schoolhouses. I have made public education the number one priority of this administration for a reason, because when we get it right, when every child learns, America will be a much more hopeful place.

Today, all the children—there was a day when all the children couldn't enter schools. Some of you may remember that. I'm not trying to age you. [*Laughter*] As a result of a lot of hard work, that has changed. All children can enter schools, but the fundamental question now is, once in school, will all children learn? And that's the question all of us must ask, and if not, we must insist on change—we must insist on change. I've asked Congress to spend more money on education. But I've also asked that we expect more in return.

A good education system is one that's based on some fundamental principles. One is, high expectations for every child. You all know, those of you involved with education know, if you lower the bar, if you have low expectations, you get those kind of results. If you assume certain children can't learn, certain children won't learn. So, inherent in any good reform system is one that sets high standards.

Secondly, it's so important to trust the local folks, is to set power out of Washington so as not to provide convenient excuses for failure. We must align authority and responsibility at the local level. There's nothing worse than having a school system where centralized authority says you must do it this way, and when there's failure, somebody says, "Oh, we would have succeeded except somebody told me to do it the way we didn't want to do it." Authority and responsibility must go hand in hand.

And finally, at the center of reform, something Rod and I worked hard on in Texas, is to measure, is to insist upon accountability. There's a lot of fear about accountability in the education system. People view it as a way to punish. That's not our vision. We view it as a way to correct.

How do you know if a child isn't learning unless you measure? So it's so important that Congress gets the message that in return for Federal help, States and local jurisdictions must develop accountability systems that measure third, fourth, fifth, sixth, seventh, and eighth grade. It's important that we disaggregate those results, so that we treat each child as an individual. It is important that we post the results so people know and, as importantly, when we find success, thank the teachers and principals that are working hard. But when we find failure, instead of accepting the status quo, do something about it. That's why it's important to start measuring early.

I've got a reading initiative in front of the Congress that starts with those in kindergarten. It basically says, in order to access the money, you must develop diagnostic tools so that we can determine early whether a child needs extra help, extra time on task. It says, we'll use curriculum that works, not fancy, feel-good theories, but curriculum that actually can take a child from illiteracy to literacy. It says, if need be, teach reading all day long until you get it right, because literacy, as our friend, Phyllis Hunter, said in Houston, Texas, "Is the new civil right."

And so this is an education program that's based upon principles. I firmly believe that when implemented, that when it's in place, that we'll begin to achieve the goal and dream that we all want, and that's an educated tomorrow.

I also know that—the importance of our Historically Black Colleges. I know it well, because in our State of Texas, many of our finest citizens have been educated at those places of higher learning. And therefore, in the budget I've submitted to the Congress, I'm asking for an increase of 1.4 billion over a 5-year period of time. I hope Congress doesn't blink. I hope they join us in this important mission.

And people say, "Well, is there money? Do you have enough money in Washington to be able to make those kinds of commitments?" Let me talk about my budget, because there's a lot of discussion about budgets. And I want to thank the House for passing what I call a commonsense budget. It's a realistic budget. It's a budget that has set priorities. One of the priorities is education. In the budget is the amount of money I've just spoken to. It's a budget that sets aside all the payroll taxes for Social Security and only Social Security.

That old style, that old tired debate hopefully will be put to rest now forever, so they don't try to scare folks away from good public policy. The budget doubles the Medicare budget. That's over a 10-year period of time we double the Medicare budget. It's a budget that increases the—doubles the number of folks who will be served in the community health centers over the next 5 years. I don't know if you know what the community health centers are. They're places where folks living on the edge of poverty, maybe the newly arrived, can get good primary care in the health care system.

It's a budget that talks about how do we enable the working uninsured to purchase health insurance. It's a budget that grows by 4 percent in the discretionary side of things.

Now, 4 percent is greater than the rate of inflation; 4 percent is greater than most people's paychecks have increased. But for some, 4 percent isn't enough. I happen to think it's just right, because by focusing and by having a budget that's realistic, it leaves more money left over. And with this economy beginning to sputter, we need to send some money back to the people who pay the bills. We need to have meaningful, real tax relief.

And we can afford tax relief. We certainly can afford tax relief. And that's the debate. Can you afford tax relief, or do you want bigger Government? And after setting priorities—and, by the way, paying down $2 trillion of debt over a 10-year period and setting aside money for contingencies—I firmly stand on the side of letting people keep their own money. It's not only good for the economy, it's good for people, more importantly.

The crux of the issue is, who do you trust with the money? And I trust the people. It's their money to begin with. This surplus is not the Government's money; it is the people's money. And so we've submitted a plan that I think makes the code more fair, eminently more fair.

If you're a single mother in America, let's say, trying to raise two children—if she's at the income level of $22,000 and makes an additional dollar, she will pay a higher marginal rate on that dollar than someone who makes $225,000 a year. The way our Tax Code is structured is that for every additional dollar above the level of 22,000, in this case, for this particular woman, she starts losing her earned-income tax credit. She pays the 15 percent bracket for the first time, and she pays payroll taxes.

Our code is structured so that somebody struggling to get ahead, somebody working the hardest job in America, pays a higher marginal rate than successful folks—Wall Street bankers. And that's not right, and that's not fair. So one of the things we have done is, we work with Congress to drop the bottom rate from 15 percent to 10 percent and doubled the child credit from $500 to $1,000, making the middle class easier to access than the current code. The code is more fair.

I also drop the top rate from 39.6 to 33 percent. My attitude is that everybody who pays taxes ought to get tax relief. I get nervous when I hear we're going to have targeted tax cuts. I guess that's okay, just so long as you're not targeted out—[*laughter*]—just so long as the target is fixed in the right way. I don't believe in trying to pick or choose winners and losers in good public policy. I think everybody who pays taxes ought to get relief.

But I have been reminding people around here about the benefits of dropping the top rate, and it's important for you all to hear this. By far, the vast majority of small businesses are unincorporated businesses, sole proprietorships, maybe Subchapter S corporations, all of which pay taxes at the highest marginal rate.

There's a lot of discussion, and rightly so, about how do we encourage ownership in all communities in America. Well, one way to do so is to have an environment for the growth of small businesses in America. It turns out there are many hundreds of African-Americans who are starting their own business. And public policy people got to think about how to create an environment so that those businesses can flourish. And one way to do so is to let people keep more of their own cash flow so they can reinvest it. Seventy-five percent of the new jobs in America are created by small businesses. And 100 percent—100 percent—of the great hope of America comes when somebody owns a company. And that's what it's all about.

So I urge Congress not to get trapped in the—the kind of the rhetoric of class warfare, and think about the positive benefits that come by encouraging the growth of the small-business sector of America.

I see many of my friends here who are involved in the faith community, and I want to thank you all for coming. As you know, there's been a lot of discussion about a faith-based initiative. My attitude is that Government can pass laws, and we can work on matters of justice—and by the way, we will. Racial profiling is wrong. I've instructed the Attorney General to come up with a plan to end it, and he's following through.

But what Government cannot do is cause people to love one another. I wish we could. We would sign the bill. J.C. will sponsor it—[*laughter*]—I think. Won't you? And I will sign it. [*Laughter*] But love comes as a result of a higher calling, in many cases. Love comes from hearts. And our job in America is to gather the great compassion of America.

You know, we were talking about, earlier—I remember my friend, Tony Evans, gave a speech outside of Dallas, in Greenville, Texas. And he talked about the greatest welfare programs are on every street corner in America, because there are houses of worship where people have heard the universal call to love a neighbor like they'd like to be loved, themselves, people who spend their days trying to help a neighbor in need.

Government can't make people do that. We've got to recognize the limitations. But what Government can do is encourage faith-based programs and their mission. What Government can do is fund an individual who

we'd like to help and let that individual make a choice as to whether or not they want to find help in a secular program or in a faith-based program. Government can do that.

And we can do that without offending the process-oriented people who worry about church and state. We shouldn't breach the line of church and state, but we should welcome faith-based initiatives and faith-based programs that use a powerful, powerful way of changing people's lives. That's called the power of faith. You change somebody's heart, you change their lives. And Government shouldn't fear faith-based initiatives. As a matter of fact, we ought to welcome them.

And I want to thank those in the room who have been on the forefront of change, of helping us change Government attitude toward a policy that I'm absolutely convinced is going to positively affect the lives of thousands of people. One such initiative that we've asked for Congress to fund is a mentoring program for boys and girls whose mom or dad may be in prison.

And so these are some of the goals that we're working on here in Washington. I cannot do it alone. One, I've assembled a great team of people, of good people, like Rod and others. I was, today, with the Chancellor of Germany, and I was at the Oval Office, there in the little dining room. And sitting next to me were Colin Powell and Condoleezza Rice, as we were effecting foreign policy that affects the world. And I've got a great team of people around me.

As you can tell, I welcome good, strong folks—I think that's the sign of a chief executive officer who knows what he's doing—and I empower them, and I work with them. But we can also do some other things. We can help work to change the culture of Washington and to kind of tone down, dial down the rhetoric and dial up success. I'm doing my very best to stop the name calling and the finger pointing, to say that good people can disagree in an agreeable way. It's so important that we have mutual respect in the Nation's Capital. The issues that I've talked about, I don't particularly—I don't think are necessarily Republican issues. I think they're good policy issues. I think these are issues that are best for everybody in the country. Otherwise, I wouldn't be promoting them. And I know we can do a better job. And I hope the country's beginning to get a sense that there is now a culture of respect in Washington, DC, and as importantly, a culture of accomplishment, that we're getting some things done.

And not everybody's going to agree with every detail, but we're getting things done. And that's important, because, after all, those of us who have assumed the high offices we hold must understand we have a responsibility to those offices. We have a responsibility to conduct ourselves in ways in which somebody will say, "I'd like to serve." Public service is a noble calling. Public service is important to this Nation.

But you don't have to be a President or a Congressman or a Secretary of a Cabinet to affect people's lives in a positive way. And that's a message I'm also trying to spread, that the true strength of this country really isn't in the halls of Government or in the White House; it's in the hearts and souls of people who live all across America, without Government, without a President saying to go do this—just walk across the street and say to somebody in need, "What can I do to help?"

And that's why I'm so optimistic about America and so optimistic about our future and so thankful that you are here to give me a chance to talk about our vision.

Thanks for coming, and God bless.

NOTE: The President spoke at 4 p.m. in the East Room at the White House. In his remarks, he referred to Representative J.C. Watts, Jr.; Representative Sisisky's widow, Rhoda, and sons Mark, Terry, Richard, and Stuart; Ohio Secretary of State J. Kenneth Blackwell; Phyllis Hunter, consultant, Texas Reading Initiative; Anthony T. Evans, senior pastor, Oak Cliff Bible Fellowship, and president, The Urban Alternative; and Chancellor Gerhard Schroeder of Germany.

Statement on the Situation in the Middle East

March 29, 2001

I am deeply concerned about the escalating violence in the Middle East. It is claiming the lives of innocent civilians on both

sides. The tragic cycle of incitement, provocation, and violence has gone on far too long.

Both sides must take important steps to calm the situation now. The Palestinian Authority should speak out publicly and forcefully in the language of the Palestinian people to condemn violence and terrorism. It should arrest the perpetrators of terrorist acts, and it should resume security cooperation with Israel.

The Government of Israel for its part should exercise restraint in its military response. It should take steps to restore normalcy to the lives of the Palestinian people by easing closures and removing checkpoints. Last week Prime Minister Sharon assured me that his government wants to move in this direction, and I urge Israel to do so.

I will be meeting with Egypt's President Mubarak next Monday and Jordan's King Abdullah the week after to seek their help in defusing the tensions. Egypt and Jordan are two of our most important partners in the region and their role is crucial. I have asked Secretary Powell to call Chairman Arafat and contact other leaders to urge them to stand against violence. Our diplomats in the region are fully engaged in this effort.

Our goal is to encourage a series of reciprocal and parallel steps by both sides that will halt the escalation of violence, provide safety and security for civilians on both sides, and restore normalcy to the lives of everyone in the region. A lasting peace in the region will come only when the parties agree directly on its terms.

This week I vetoed an unbalanced U.N. resolution because it tried to force the adoption of a mechanism on which both parties did not agree. My approach will be to facilitate the parties' work in finding their own solution for peace. We seek to build a stable foundation for restoring confidence, rebuilding security cooperation, and resuming a political dialog between the parties.

NOTE: In the statement, the President referred to Prime Minister Ariel Sharon of Israel; President Hosni Mubarak of Egypt; King Abdullah II of Jordan; and Chairman Yasser Arafat of the Palestinian Authority.

Remarks at the Radio and Television Correspondents Association Dinner

March 29, 2001

Thank you all very much. Well, Lew, thank you very much. Laura and I are thrilled to be here. I appreciate the members of the press. I think you serve a very useful purpose, especially tonight.

As you know, we're studying safe levels for arsenic in drinking water. [*Laughter*] To base our decision on sound science, the scientists told us we needed to test the water glasses of about 3,000 people. [*Laughter*] Thank you for participating. [*Laughter*]

It's good to see so many Members of the Congress here, my fellow Texan Tom DeLay, here at the head table. Lew asked me a little earlier if Tom ever smiled. I said, "I don't know, I've only known him 9 years." [*Laughter*]

Senator Lieberman is here. We all know Joe is an Orthodox Jew, so he does no work from sundown Friday until sundown Saturday. This has so impressed me I, myself, am thinking of converting—[*laughter*]—So I don't have nothing to do from sundown Saturday to sundown Friday. [*Laughter*]

Most of you probably didn't know that I have a new book out. Some guy put together a collection of my wit and wisdom or, as he calls it, my accidental wit and wisdom. [*Laughter*] But I'm kind of proud that my words are already in book form. So like other authors, I thought I'd read from it tonight. [*Laughter*] It's like the thoughts of Chairman Mao, only with laughs and not in Chinese. [*Laughter*]

Here's one from the book—and I actually said this. [*Laughter*] "I know the human being and fish can coexist peacefully." [*Laughter*] Now, that makes you stop and think. [*Laughter*] Anyone can give you a coherent sentence, but something like this takes you into an entirely new dimension. [*Laughter*]

Here's another: "I understand small-business growth; I was one." [*Laughter*] You know, I love great literature. [*Laughter*]

I actually said this in New Hampshire: "I appreciate preservation. It's what you do when you run for President. You've got to

preserve." [*Laughter*] I don't have the slightest idea what I was saying there. [*Laughter*]

Or how about this one: "More and more of our imports come from overseas." [*Laughter*]

Now, most people would say, in speaking of the economy, we ought to make the pie bigger. I, however, am on record saying, "We ought to make the pie higher." [*Laughter*] It is a very complicated economic point I was making there. [*Laughter*] But believe me, what this country needs is taller pie. [*Laughter*]

And how about this for foreign policy vision: "When I was coming up, it was a dangerous world, and we knew exactly who the 'they' were. It was 'us' versus 'them'. And it was clear who the 'them' was." [*Laughter*] "Today, we're not so sure who the 'they' are, but we know they're there." [*Laughter*]

John Ashcroft, by the way, attributes the way I talk to my religious fervor. In fact, the first time we met, he thought I was talking in tongues. [*Laughter*]

Then there is my most famous statement: "Rarely is the question asked, is our children learning?" [*Laughter*] Let us analyze that sentence for a moment. [*Laughter*] If you're a stickler, you probably think the singular verb "is" should have been the plural "are." But if you read it closely, you'll see I'm using the intransitive plural subjunctive tense. [*Laughter*] So the word "is" are correct. [*Laughter*]

Finally, let's see you wordsmiths out there diagram this sentence: I said—this may sound a little west Texan to you—"but when I'm talking about myself and when he's talking about myself, all of us are talking about me." [*Laughter*]

Now, ladies and gentlemen, you have to admit, in my sentences, I go where no man has gone before. [*Laughter*]

But in closing, the way I see it is, I am a boon to the English language. I've coined new words, like, "misunderstanding" and "Hispanically." [*Laughter*] I've expanded the definition of words themselves, using "vulcanized" when I meant "polarized," "Grecians" when I meant "Greeks," "inebriating" when I meant "exhilarating"—[*laughter*]—and instead of "barriers and tariffs," I said, "terriers and bariffs." [*Laughter*]

And you know what? Life goes on. [*Laughter*] My wife and my daughters still love me. [*Laughter*] Our military still protects our shores. [*Laughter*] Americans still get up and go to work. [*Laughter*] People still go out and have fun, as we're doing tonight.

I don't think it's healthy to take yourself too seriously. But what I do take seriously is my responsibility as President to all the American people; it's the office I hold. And that is what I came tonight to tell you.

Thank you for inviting me, and thank you for your "horspitality". [*Laughter*]

NOTE: The President spoke at 9:40 p.m. in the National Ballroom at the Hilton Washington and Towers. In his remarks, he referred to Lew Ketcham, chairman, Radio and Television Correspondents Association.

Remarks Honoring Members of the Baseball Hall of Fame

March 30, 2001

The President. Well, thank you very much. Laura and I are delighted to welcome you all to the people's house. The Vice President is delighted to welcome you to the people's house, too. [*Laughter*] This is an exciting day for my administration and all the baseball fans that live here in Washington.

I first want to thank the commissioner for coming. Mr. Commissioner it's good to see you again, sir. You're doing a great job in shepherding our national pastime through some pretty tough times. And I appreciate your leadership, and I appreciate your friendship.

Speaking about Wisconsin, I'm glad to see my Cabinet Secretary is here. [*Laughter*] Thank you for coming, Tommy; and Mel Martinez, as well. I appreciate you all being here.

We've got some huge fans, baseball fans here. Billy Crystal, I'm honored you're here. I appreciate the movie you're making. I'm looking forward to maybe getting to see it here in the White House. If you would let us do that, it would be such an honor. I don't know if Costas is here yet.

Bob Costas. Here, Mr. President. [*Laughter*]

The President. Where is he? [*Laughter*]

Mr. Costas. Sometimes it's hard to see me, Mr. President. [*Laughter*]

The President. Representing all the traditionalists in America. [*Laughter*]

Secretary Abraham, I'm sorry—a fine Detroit Tiger fan. Congressman Boehlert, whose district is the Hall of Fame.

I also want to thank Jane—it's good to see you again. I remember coming up to the induction ceremony when my friend Nolan Ryan got inducted. So your hospitality is great. And, Dale, thank you for thinking of this.

One of the great things about living here is, you don't have to sign up for a baseball fantasy camp—[*laughter*]—to meet your heroes. It turns out, they come here. [*Laughter*] I want to thank the players, the former players, the managers, and the wives who are here. I think we're going to have a great day.

There are some familiar faces here, but none more beloved than Yogi Berra. Yogi's been an inspiration to me—[*laughter*]—not only because of his baseball skills but, of course, for the enduring mark he left on the English language. [*Laughter*] Some in the press corps here even think he might be my speechwriter. [*Laughter*] I don't know if you know, Yogi, but I quoted you when I went to the Congress the other day to deliver my budget address: "Relieved you made it. We were afraid you might have taken the wrong fork."

And of course, Big Texas here, and Ruth, thank you all for coming—friends of ours who remind us of glorious days we had in baseball. The reason I like to keep Nolan around is, he is a reminder that when we got done with the Sammy Sosa trade, there was still some talent left on the Rangers. [*Laughter*]

But along with Nolan, we've got people like Sandy Koufax and Bunning and Ford and Gibson and Marichal, some of the greatest arms in the history of the game. Seeing all the pitchers here brings to mind Lefty Gomez's definition of a complete pitcher. They asked Lefty once to share his secret. He said, "It's easy, clean living and a fast outfield." [*Laughter*] And we had some pretty fast outfielders behind us, too.

I'm sorry that Ted Williams couldn't be here today. One time I had the opportunity to watch a batting practice at an All-Star game, sitting right behind Joe DiMaggio and Ted Williams. For a baseball fanatic, it was an unbelievable moment. It might sound funny to you, but at that moment, I said, "Well gosh, all three of us have something in common. We wanted to be big league stars. One of us peaked a little early." [*Laughter*]

I know that we all join together in wishing Ted the very best as he struggles to overcome his illness.

Five decades of baseball are represented here in the White House, from Bob Feller to Duke Snider to Dave Winfield to Robin Yount. I'm just a little biased toward those of you who played back in the fifties. It was my prime as a baseball card collector in the fifties.

Monte Irvin is here. And I remember very clearly, seeing him at the first baseball game I ever went to. He was standing in the Polo Grounds, I might add, on grass. Monte, you probably didn't see me because I was up in the stands with my Uncle Buck. But I'll never forget it. And as I recall, Red Schoendienst was there, as well.

And gentlemen, if you're half as excited to be at the White House as I was that afternoon, I'm really glad to repay the favor. Everyone who loves baseball can remember the first time he saw the inside of a real Major League park, with real big league players. It stays with you forever, the greenness of the grass, the sight of Major Leaguers in uniform, the sound of big league swing meeting a big league pitch. And when you're a kid and you actually meet one of your baseball heroes or get an autograph on a ball, that's a big deal, too. It means a lot.

Each one of the stars who are here has been a part of that. Each one has given that gift to millions of children for generations. And speaking for all of the millions of boys and girls, I say, thank you.

When I was growing up, there were the Mantle kids—like Crystal and Costas—and there were the Mays kids. You'd think that with Mickey Mantle coming from Oklahoma, which is next door to where I was raised, that I would have been a Mantle kid. But no, for some reason I was a Mays kid, and I was really proud of it, by the way.

Years later when I went to work with the Rangers, I got to meet both of those players, and got to meet a lot of other good folks, like Nolan Ryan. And I began to appreciate what the life of a famous ballplayer is like, what a responsibility it is when so many youngsters look up to you. So much is expected of you, whether you're in uniform or not in uniform.

It isn't always easy to be worthy of a kid's devotion or a teammate's trust. But the folks behind us tried. They were successful, and that's what made them great. Baseball isn't just in the stats, though of course, that's part of it. It isn't just the money. It really isn't who makes the Hall of Fame. As much as anything else, baseball is the style of a Willie Mays, or the determination of a Hank Aaron, or the endurance of a Mickey Mantle, the discipline of Carl Yastrzemski, the drive of Eddie Mathews, the reliability of a Kaline or a Morgan, the grace of a DiMaggio, the kindness of a Harmon Killebrew, and the class of Stan Musial, the courage of a Jackie Robinson, or the heroism of Lou Gehrig.

My hope for the game is that these qualities will never be lost. Whatever else changes, even if the same nine innings run longer and the flyballs farther and the grass isn't always grass like it should be, those values are still what makes the boys and girls and the fans and players into legends.

In a small way, maybe we can help to preserve the best of baseball right here in the house that Washington built. After we moved in, I pointed out to a great baseball fan, the First Lady, that we've got a pretty good-sized backyard here. [*Laughter*] And maybe with the help of some groundskeepers, we can play ball on the South Lawn. She agreed, just so long as I wasn't one of the players. [*Laughter*] So, for the next four seasons, we're going to invite kids here from the area to play teeball on the South Lawn of the White House.

And so, my congratulations are to not only the new crop of inductees of the Hall of Fame—Winfield, Puckett, to the family of Hilton Smith, and Bill Mazeroski—but congratulations to the Hall of Famers who have made the game what it is. It is such an honor for us to welcome you here. Thank you for coming, and I hope you enjoy the lunch as much as I know I'm going to.

God bless.

NOTE: The President spoke at 11:46 a.m. in the East Room at the White House. In his remarks, he referred to Major League Baseball Commissioner Allan H. "Bud" Selig; entertainer Billy Crystal; sportscaster Bob Costas; Jane Forbes Clark, chairman, and Dale Petroskey, president, National Baseball Hall of Fame and Museum; and Ruth Ryan, Nolan Ryan's wife.

Remarks Prior to Discussions With President Fernando Henrique Cardoso of Brazil and an Exchange With Reporters

March 30, 2001

President Bush. Thank you all for coming. It's my honor to welcome our friend from Brazil. Mr. President, we are honored—we're honored to have you here. We've got a lot in common. Brazil is a vast nation. It's a democracy. It's a country with a huge economic potential. It's a Government run by a good man.

We've had a good, frank discussion about a lot of subjects. There's no question in my mind that we'll have good relations over the next years. And there's no question in my mind that as we cooperate together, the people of both our countries will benefit.

We've discussed a lot of topics, including trade. We've agreed to work closely together to see if we can't come up with a way for our nations to continue to interface with each other. This country invests a lot of money in Brazil, because Brazil's a safe place to invest money. And we're going to keep it that way, keep our relationship strong. So Mr. President, welcome, glad to have you here.

President Cardoso. Thank you very much, sir. Let me say that I am very glad to be here, be with you. I knew your father. Now I'm very glad to see the way you are. As I said yesterday, I will put—take out my glasses to see your eyes, because you said that you would like to see my eyes directly.

President Bush. That's right. [*Laughter*]

President Cardoso. I must say that it was a very pleasant conversation about several issues. And I do agree with you, sir, on the sense that Brazil and the United States have to be close and close not just in terms of

trade but in terms of the hemisphere in general, in terms of security, in terms of democracy. We have shared values; so why not work together?

And also because we know our responsibilities across the world. We know that the world is uneven, and it's necessary to work—to do a lot of things to offer more perspective to the world, to the hemisphere, to Africa and other parts. And the United States and Brazil can work together. We will work together.

I also see that you are a very informal kind of people, as I am, so I am very glad.

President Bush. Thank you, sir.

President Cardoso. If you allow me now, I speak a little bit in Portuguese because there are lots of Brazilians over there.

[*At this point, President Cardoso spoke in Portuguese, and no translation was provided.*]

President Bush. We'll have one question from the American press, one question from the Brazilian press, and then everybody can go home for the weekend.

Slobodan Milosevic

Q. Mr. President, there seems to be an effort underway in Belgrade to arrest Mr. Milosevic. Does the United States support this? Will the United States contribute in any way to getting it done? What do you think should happen to him?

President Bush. Well, we've always said that Mr. Milosevic ought to be brought to justice. I had a visit with the Secretary of State about this very matter. We're watching it very carefully. We will cooperate in any way that we're asked to do so.

Brazil-U.S. Trade Relations

Q. Mr. President, in terms of trade, have you, Mr. President, President Cardoso and President Bush, have you been able—do you think that you are going to be able to bridge the differences between the two countries? Are you ready as free traders to fight the protectionists in each of your respective countries?

President Bush. Absolutely, we can work together. We had a very good discussion about trade. The President and I have made a decision that we'll work closely to iron out any differences that may exist. Obviously, each of us have got different issues that we have to deal with within our own borders. I'm mindful of that; so is the President.

But the thing that's important is the spirit of cooperation. There are no differences when it comes to the desire to cooperate. I'm confident we'll have a very fruitful relationship. It's in our Nation's best interests that we have close relations with Brazil.

For those of you who have never heard me say this, good relations in our neighborhood is not going to be an afterthought for our foreign policy in America. The best foreign policy starts with making sure that relations in our own hemisphere are very positive. And the fact that the President would come here to Washington and have a fruitful dialog with me is an indication that not only are we interested but so is the President. For that, I'm very grateful.

President Cardoso. That's true. I do agree with the President. I believe that—we have, of course, from time to time some difference. That's normal between nations. Yesterday the President said, American—to be American first. Well, I would say the same, to be Brazil first. That's normal. But then let's see how to cooperate.

And the point is that regarding trade—you asked what about trade—our problems are going—are being discussed in several meetings. We have been making progress toward a more free trade. Of course we're going to have to take into account the situation in Brazil, Brazilians' interests, and we'll have to see how to solve, eventually, what can be a conflict of interest. But very localized interest, very specific interest. We cannot generalize as if American and Brazil will clash.

No, by being one point to have the difference. So let's try to work together to solve the difference. That's the way.

NOTE: The President spoke at 2:15 p.m. in the Oval Office at the White House. In his remarks, he referred to former President Slobodan Milosevic of the Federal Republic of Yugoslavia (Serbia and Montenegro). A tape was not available for verification of the content of these remarks.

Digest of Other White House Announcements

The following list includes the President's public schedule and other items of general interest announced by the Office of the Press Secretary and not included elsewhere in this issue.

March 26

In the morning, the President traveled to Kansas City, MO, and in the afternoon, he traveled to Billings, MT.

The President announced his intention to nominate J. Richard Blankenship to be Ambassador to the Bahamas.

The President announced his intention to nominate Howard H. Leach to be Ambassador to France.

The President announced his intention to nominate Vicki A. Bailey to be Assistant Secretary of Energy for International Affairs and Domestic Policy.

The President announced his intention to nominate Ronald Rosenfeld to be President of the Government National Mortgage Association.

The President announced his intention to nominate Jon M. Huntsman to be Deputy U.S. Trade Representative.

The President announced his intention to nominate former Senator Howard Baker, Jr., to be Ambassador to Japan.

March 27

In the morning, the President traveled to Kalamazoo, MI, and in the afternoon, he returned to Washington, DC.

The President announced his intention to nominate Nora Mead Brownell to be a Commissioner of the Federal Energy Regulatory Commission.

The President announced his intention to nominate Patrick Henry Wood III to be a Commissioner of the Federal Energy Regulatory Commission.

The President announced his intention to nominate Clark Kent Ervin to be Inspector General of the Department of State.

The President announced his intention to nominate Leo S. Mackay, Jr., to be Deputy Secretary of Veterans Affairs.

March 28

The President announced his intention to nominate Mark B. McClellan to be a member of the Council of Economic Advisers.

The President announced his intention to nominate John E. Robson to be President of the Export-Import Bank.

The President announced his intention to nominate Anna Maria Farias to be Assistant Secretary of Housing and Urban Development for Fair Housing and Equal Opportunity.

The President announced his intention to nominate Earl Floyd Kvamme to be Cochair and member of the President's Committee of Advisers on Science and Technology.

March 29

The President announced his intention to nominate Grant D. Aldonas to be Under Secretary of Commerce for International Trade.

The President announced his intention to nominate William Gerry Myers III to be Solicitor of the Department of the Interior.

The President announced his intention to nominate John F. Manning to be Assistant Attorney General for the Office of Legal Counsel.

The President announced his intention to nominate Shinae Chun to be Director of the Women's Bureau of the Department of Labor.

The President announced his intention to nominate Carl W. Ford to be Assistant Secretary of State for Intelligence and Research.

The President announced his intention to nominate Jeanne L. Phillips to be Representative of the U.S. to the Organization for Economic Cooperation and Development with the rank of Ambassador.

The President announced the designation of Larry Massanari as Acting Commissioner of the Social Security Administration.

March 30

In the afternoon, the President went to Camp David, MD.

The President announced his intention to nominate Robin L. Higgins to be Under Secretary of Veterans Affairs for Memorial Affairs.

The President announced his intention to appoint Carlos M. Ramirez as Commissioner of the U.S. Section of the International

Boundary and Water Commission for the U.S. and Mexico.

Nominations Submitted to the Senate

The following list does not include promotions of members of the Uniformed Services, nominations to the Service Academies, or nominations of Foreign Service officers.

Submitted March 27

Argeo Paul Cellucci,
of Massachusetts, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Canada.

Submitted March 28

Daniel J. Bryant,
of Virginia, to be an Assistant Attorney General, vice Robert Raben, resigned.

John D. Graham,
of Massachusetts, to be Administrator of the Office of Information and Regulatory Affairs, Office of Management and Budget, vice John T. Spotila, resigned.

Submitted March 29

Charles S. Abell,
of Virginia, to be an Assistant Secretary of Defense, vice Alphonso Maldon, Jr.

Grant D. Aldonas,
of Virginia, to be Under Secretary of Commerce for International Trade, vice Robert S. LaRussa.

Brenda L. Becker,
of Virginia, to be an Assistant Secretary of Commerce, vice Deborah K. Kilmer, resigned.

Checklist of White House Press Releases

The following list contains releases of the Office of the Press Secretary that are neither printed as items nor covered by entries in the Digest of Other White House Announcements.

Released March 26

Released March 27

Transcript of a press briefing by Press Secretary Ari Fleischer

Released March 28

Transcript of a press briefing by Press Secretary Ari Fleischer

Statement by the Press Secretary: Escalation of Violence in the Middle East

Released March 29

Statement by the Press Secretary announcing the President's upcoming visit to Wilmington, DE

Released March 30

Transcript of a press briefing by Press Secretary Ari Fleischer

Acts Approved by the President

NOTE: No acts approved by the President were received by the Office of the Federal Register during the period covered by this issue.