

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 parties' 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, Hearst Newspapers].

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 deescalating 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 taxpayers 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 CO₂, 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 Relief 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 cashflows 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 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.

[At this point, a beeper went off.]

The President. Don't worry about the beeper violation. [Laughter] It's a new approach. Gordon 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 effort 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 CO₂ 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 Relief 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 cashflow; 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, underestimate—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 agree-

ment 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 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; Chancellor Gerhard Schroeder of Germany; Assistant Press Secretary Gordon Johndroe; President Bashar al-Asad of Syria; Prime Minister Jean Chretien of Canada; and President Vicente Fox of Mexico.