

Remarks Prior to a Meeting With Senate Minority Leader Trent Lott and an Exchange With Reporters

September 4, 2001

Legislative Agenda

The President. I'm honored to welcome my friend Senator Lott to the Oval Office. He is just back from an active month. I'm meeting with him, and I'm meeting with Senator Daschle a little later on today. I look forward to talking about our need to work together to accomplish some important goals—two goals I'd like to talk about with both Senators.

One is to make sure we get an education bill on my desk quickly. Many children are starting school today. Some have started prior to Labor Day. We need to get a bill. And Senator Lott worked with me very closely, and we got a good bill out of the Senate. I'm confident that the conferees can reconcile their differences and get a bill to my desk quickly.

And secondly, we're going to talk about the budget. There's been a lot of noise about the budget. I hope the budget—the appropriations process discards the old-style politics of trying to scare seniors. Our seniors have got to know that every Social Security promise will be fulfilled, and Social Security checks will arrive on time, and that there's not much difference in the overall numbers than what we proposed, what some others have proposed. I'm confident we can come together and get a good budget together, one that will reflect the priorities of the Nation, which will be education and defense.

There's been a lot of talk over August about the tax relief plan. Half the rebate checks have gone out. There are still more checks to go out, and I believe it's going to provide good stimulus for our economy, when the plan is fully implemented. And then, of course, come January, there will be an overall rate reduction, another rate reduction, which will be a part of the fiscal stimulus package that we all worked on.

Some are arguing that maybe we ought to roll back the taxes. I guess they're saying that. They're now against tax relief, and if you're against tax relief, it must mean you're for maybe rolling it back. I think that would be

terrible for the economy. Most Americans understand that as well.

At any rate, I've had a good chance to recharge my batteries in Crawford. I'm glad to see my old friend. I look forward to working with him.

[At this point, Senator Lott made brief remarks.]

Capital Gains Tax

Q. Mr. President, speaking of stimulating the economy, do you agree with Republican lawmakers, including your guest here, that a capital gains tax cut would stimulate the economy, injecting revenue into a very tight budget?

The President. Well, I think—I agree with the assessment that a capital gains tax relief would pile up some revenues early in the process. As I mentioned, only half of our rebate checks have gone out, and the stimulus package that we all worked on prior to the recess is not fully in place yet.

What I'd like us to do is take a look-see to make sure that the stimulus package that we've now—are implementing works. And I'm openminded. I look forward to speaking to the Senator about it and to Speaker Hastert about it, as well.

Tax Cut Trigger

Q. Mr. President, you can't say for certain whether the tax cut will stimulate the economy the way you think it needs to. Even Alan Greenspan supported the idea of a trigger on the tax cut, if surpluses didn't materialize the way everybody thought they would. Why not consider that, given the fact that, in fact, the surpluses have vanished?

The President. We've got the second largest surplus in the Nation's history. And according to CBO, we'll have even a bigger surplus next year. We've got ample money to meet our Nation's needs. What we need is fiscal discipline in Washington, DC. We need to make sure we have—prioritize the spending and not overspend. No question tax relief was the right thing to do at this point in our Nation's history. And I repeat, I reckon some of them up here want to roll it back. But they're going to meet strong opposition, I know, from the White House and, I know, from Senator Lott, as well.

Mexico and Immigration Policy

Q. Mr. President, do you agree with President Fox's assessment that immigration reform would take 4 to 6 years? And are you going to—why won't you have a guestworker deal at the summit this week?

The President. Well, I look forward to talking with my friend again about this subject. Immigration reform is a very complex subject. It's one that obviously entails dealings with Mexico, but there are other immigrants in the Nation—other folks from countries other than Mexico.

I have explained to the President that there's no appetite for blanket amnesty in Congress. I've also told him our desire is to make it easier for an employer looking for somebody who wants to work and somebody who wants to work to come together. But that in itself is a complex process. And so this is a complex issue. This is going to take a while to bring all the different interests to the table. But we've made good progress so far.

And I'll tell him that this administration—I know many Members of Congress are committed to treating Mexicans with respect when they come to our country. We want them to be treated like you'd want any neighbor to be treated. Secondly, that we've got to do a better job of making our borders more safe. Thirdly, that we'll look at a guestworker program that will benefit America as well as benefit the Mexicans. But there's a lot of work to be done.

But we're making good progress. You're going to find that this is a—two administrations that are cooperating more closely than other administrations in the past have. And it's a—we've got a great relationship. You just happened to mention one issue that's quite complex.

Senator Lott. If I could just comment briefly on that, this is the first joint session of Congress that we've had in quite some time, certainly the first one this year. And I think that is a show of respect for the visiting President you are having here for an official state visit. And I think it is important that the Congress also hear directly from him, as we are going to hear from you, about the plans you're working on. And I think this is a very positive development.

The President. The other thing we will confirm is that there is a need to stay focused on the long term, as well. Trade with Mexico benefits American workers; it also benefits Mexican workers. The best way to take pressure off our border is for Mexico to grow a middle class, and the avenue for Mexico to grow a middle class is trade.

And that's why—and not only do we need trade with Mexico, I need trade promotion authority. And I look forward to working with the Senator on that. I hope Senator Daschle will move a bill as quickly as possible. There seems to be a consensus forming amongst Republicans and Democrats for the need for free trade as a part of an economic stimulus package as well. And I look forward to working with Members of Congress.

National Economy/Federal Spending

Q. A quick question on timing. For some time, economists said the second half of this year the economy would be coming back. Here we are about to—we're moving into the final quarter of the year. When do you think—barring any other changes by Congress, when do you think Americans will see the economy improve to the point where they can feel it?

The President. You know, this economy has been slow now for a year. The economic slowdown started last summer, right in the middle of our campaign. And growth is anemic. It's been about one percent for the year, and that's very disappointing. We looked at that fact and worked with Congress to pass a package of tax relief that hopefully will stimulate the economy as quickly as possible. I guess if I knew the answer, I'd be an economist, not the President. But I will tell you that we made the right decision.

And of course, there will be second-guessers here in Washington. And I suspect those who are second-guessing really are saying, "We'd like to get rid of that tax relief. We'd like to roll back the tax relief." And I'm going to resist that mightily, and I call upon the leadership on both sides of the aisle not to fall prey to a false set of economic assumptions that say if you raise taxes it'll help the economy. It will hurt the economy.

But Ann [Ann Compton, ABC News], to answer your question, I hope soon. But I'm

not a forecaster, and evidently there are not many good forecasters around.

Q. What kind of growth rate, sir, do we need to see to get Washington out of the fiscal straitjacket that it is in now?

The President. Well, you know, it's interesting—the question was, what kind of growth rate we need. I would put it this way: We need a new attitude, that in order to earn the confidence of the American people, Congress must set good priorities. And I know the Senator and I share the priorities of national defense and education. Those are our priorities, and we ought to meet those priorities.

There is a new attitude in Washington, DC. It used to be, let's see how much we can spend. Now it's going to be, let's show the American taxpayer we can be smart with taxpayers' money. And Congress is just going to have to adjust their appetites and realize they can't spend their way out of town. And I'm willing to work with them on that.

But we've got ample money to meet our priorities. Interestingly enough, if you'll look at the CBO revenue forecast and OMB's revenue forecasts, we're off by \$1 billion for the year 2002. There's only \$1 billion difference.

There's a lot of money coming into the Treasury of the United States: \$2.135 trillion is what we project; \$2.134 trillion is what CBO projects. Now, surely we can fit our desires and our appetites within those numbers without affecting the Social Security checks that go to the American people.

And I understand how politics works up here. There's always that scare tactic, trying to tell the American people that the budget process is going to lead them to not get their Social Security check. That's just ridiculous. It's just not right.

Social Security Surplus

Q. Can you say definitively that you will veto any appropriations bill that taps into the Social Security surplus?

The President. I can say definitively, every Social Security recipient is going to get their check. And that's what the American people need to understand. And I can also say definitively, we've got ample money to meet our needs.

And I can thirdly say, tax relief was the absolute right thing to do to make sure our economy grows. What we ought to be thinking about is, how do we grow the economy of the United States? And the Senator is going to have some ideas, and I'm interested in listening to them.

But we took action. This economy started slowing down 12 months ago. And this administration saw a problem, and we worked with our friends and allies on the Hill, and we addressed it. And one half of the stimulus package is out the door for this year, and then, of course, there will be another part of the stimulus package kicking in in January of next year.

Q. [Inaudible]—address that one question?

The President. I addressed your question.

Q. Will you veto, or will you not?

Q. You're not changing policy there, though, are you? Would you veto a bill that dips into Social Security?

The President. I answered your question.

NOTE: The President spoke at 1:40 p.m. in the Oval Office at the White House. In his remarks, he referred to President Vicente Fox of Mexico. A tape was not available for verification of the content of these remarks.

Statement on Senator Phil Gramm's Decision Not To Seek Reelection

September 4, 2001

The Senate is losing a principled leader with the decision of Phil Gramm to retire after over two decades of distinguished service to the people of Texas and America. Senator Gramm is a man of common sense and uncommon courage who bases decisions on principle and always fights for what he believes is right.

Senator Gramm has been a consistent and committed advocate of tax relief for working Americans, beginning with his work on President Reagan's tax cut in 1981 as a Member of the House of Representatives and continuing with his tireless efforts to pass this year's monumental tax relief package.

As chairman and ranking member of the Senate Banking Committee, Senator Gramm