

Weekly Compilation of
**Presidential
Documents**



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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

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Week Ending Friday, March 2, 2001

Exchange With Reporters Prior to Discussions With Prime Minister Tony Blair of the United Kingdom at Camp David, Maryland

February 23, 2001

Q. How is it going so far?

President Bush. Pretty darn good.

Winston Churchill

Q. How was lunch? Is it true that Churchill once came to this cabin?

President Bush. That's exactly right.

Meeting With Prime Minister Blair

Q. How goes the get-acquainted session?

President Bush. Good, John [John Roberts, CBS News], thank you. Ambassador Johndroe was telling us where to go.

Winston Churchill

Q. Sir, can you tell us the historical significance of where you're standing?

President Bush. This is where Prime Minister Winston Churchill, the first visitor to Camp David, stayed. It's a huge honor for Laura and me to welcome the current Prime Minister and his wife. And we're about to have a press availability to answer all these difficult questions that you're throwing at us, John. I promised the Prime Minister that you in particular would behave well during the press conference—and Fournier [Ron Fournier, Associated Press].

All right, we're actually now going to go for a walk of a couple miles.

Q. Mr. Prime Minister, where's your coat?

Prime Minister Blair. It's around somewhere, but actually it's a lot warmer than Canada.

President Bush. You shouldn't have noticed that.

NOTE: The exchange began at 3:23 p.m. on the porch of Holly Lodge. In his remarks, the President referred to Prime Minister Blair's wife, Cherie, and Assistant Press Secretary Gordon

Johndroe. This item was not received in time for publication in the appropriate issue. A tape was not available for verification of the content of this exchange.

The President's News Conference With Prime Minister Blair at Camp David

February 23, 2001

President Bush. Welcome. It's my honor to welcome the Prime Minister, from our strongest friend and closest ally, to Camp David. We've had a couple of formal visits. More importantly, we had a nice walk around Camp David, and got to know each other. And as they told me, he's a pretty charming guy. He put the charm offensive on me. [Laughter] And it worked. No, we're delighted, and tonight we'll have a dinner, just the four of us, and Mrs. Blair and Laura and the two of us, and I'm really looking forward to it.

This is a chance for me to tell the Prime Minister how dedicated my administration will be to an alliance that has made a huge difference in the world, an alliance that I firmly believe will make a difference in the years to come.

We discussed trade. We discussed defenses. We discussed the Prime Minister's vision of a strong NATO. We discussed a lot of subjects. The thing I want to leave people with the impression of is that ours will be a strong and good personal relationship and an alliance that will stand the test of time.

Mr. Prime Minister, welcome.

Prime Minister Blair. Thank you very much, Mr. President. Well, I was delighted to come here, and I've been really enthusiastic about our meetings so far. They've been absolutely excellent, very productive, as I hoped and expected. We discussed a whole range of issues. I think we've been through all the issues that you would expect, plus

some more. And I've found it a very, very useful meeting, indeed.

And I just want to make one point by way of introduction, which is that our countries have stood together in some very difficult times, very hard times, some of the most testing times the world has ever known. And the reason we've come through those times together and stronger is because we share the same values; we share the same interests; we have a lot of common history; but I think, most of all, we have the same perception of the world and the belief in freedom and the belief in standing up for what is right and just. And everything that I've heard today confirms for me in my view that that relationship will carry on and strengthen in the years to come.

I thank you very much, indeed.

President Bush. Thank you, Mr. Prime Minister.

Fournier [Ron Fournier, Associated Press].

Missile Defense System

Q. Mr. President, have you received a commitment from the Prime Minister to support your missile defense plan, including building missile defense sites in Britain?

And Mr. Prime Minister, do you think that there is a threat that requires a missile defense shield, and would you allow missile defense sites to be built on your—in your country?

President Bush. Mr. Prime Minister, before we answer that, generally when I ask for one question, we only get one question coming. Well done. [Laughter]

We had a long discussion about missile defense. I will, obviously, let the Prime Minister speak for himself. I made the case, like I will do to all the leaders with whom I meet, that we need to think differently about the post-cold-war era, that there are new threats that face people who love freedom.

There is the threat of an accidental launch of a missile. There are the threats of potential blackmail when one of these nations develops weapons of mass destruction and be willing to point at America, Britain, our allies, our friends, people with whom we've got commitments. And we've got to deal with those in a realistic way. And the Prime Minister

asked a lot of really good questions, and he can answer what you asked, Ron.

But we're in the process of coming up with a realistic way to deal with the true threats. It makes a lot of sense to explore options. It makes a lot of sense to develop defenses to face the true threats. It also makes sense for us to send the message to the world that in the post-cold-war era, the United States will handle its responsibilities to keep the peace in a constructive way, by reducing our offensive weapons, as well. And I'm now talking to the Pentagon to come up with a level of nuclear weaponry that will help us keep the peace. As to whether or not there will be sites or no sites, that's too early to determine, because I have yet to propose to the Prime Minister what will work.

Prime Minister Blair. First of all, let me say, I understand and share the concerns of the President and the American administration about weapons of mass destruction and nuclear proliferation. And I think it's very important in that context that we discuss all the ways that we can deal with this threat, which is a real threat and a present threat, both in relation to offensive and defensive systems.

And I said to the President, and I want to repeat to you, that I welcome very much the approach that the administration has taken, which is to be very open about this, which is to talk to people about it, to make sure that allies are consulted properly. These are very, very big and important issues. But we welcome the dialog that there has been on it. And I think if you look at the world today and you see those countries that are developing weapons of mass destruction, I think it is a debate, that it is right to have.

Q. Can I ask you both about missile defense? Mr. President, can I ask you, if you fail to get agreement among your key allies, including Britain, are you prepared then to go ahead alone with some form of missile defense system? And if I can ask the Prime Minister, are you prepared to say in principle now you could back an American missile defense system?

President Bush. I don't think I'm going to fail to persuade people. I think it makes—it's commonsensical to say to our friends, let's come together, work together, to develop a

defense against the true threats of the 21st century. And so, I don't accept your hypothesis.

Prime Minister Blair. Well, I'm sure, for my part, that this is a debate that is important to have, for the very reasons that the President gave earlier. And I think if you look at the weapons of mass destruction that people are trying to develop in nuclear proliferation, that it's important that we look at every single way we possibly can of dealing with this threat.

Now, as the President said a moment or two ago, we don't have a specific proposal on the table yet. But I understand and share the American concerns, as I've said many times before. And I think what is important is that if we take this forward in a constructive way and have the right discussion with allies, then we can find a way through this. I've always believed that, incidentally, and I believe that even more firmly having talked to the President today.

President Bush. I'll give you a followup answer.

I thought it interesting that Mr. Putin talked about missile defenses. I know there are some concerns in Europe about Russian reaction to the development of defenses that will make the world more peaceful. And Mr. Putin has started talking about the need for folks to develop—think about developing systems that will intercept missiles on launch, for example, theater-based systems that will keep the peace.

We found that to be a breakthrough of sorts, a recognition that the cold war has passed, that we are not Russia's enemy—I don't view Russia as our enemy, either—and that there will be new threats that we have to deal with. If we are peaceful, loving people, we must use our technologies to appropriately deal with the threats that we'll be facing. And I thought that was a positive breakthrough.

Steve Holland [Reuters].

Situation in Iraq

Q. Yes, sir. Could both of you explain how you keep the Iraqi sanctions from crumbling, and how do you explain how the Iraqi sanctions could be reconstituted to keep them

from—to help ease the strain on the Iraqi people?

President Bush. We spent a lot of time talking about our mutual interests in Iraq and the Persian Gulf, and from our perspective, as you know, I made the famous statement that our sanctions are like Swiss cheese. That means they're not very effective, and we're going to work together to figure out a way to make them more effective.

But I think the Prime Minister and I both recognize that it is going to be important for us to build a consensus in the region to make the sanctions more effective. Colin Powell left today, after lunch, to move around the Middle East, collect thoughts and to listen, with a policy of strengthening our mission to make it clear to Saddam Hussein that he shall not terrorize his neighbors and not develop weapons of mass destruction.

Prime Minister Blair. Yes, if I can just add to that, I think that—I mean, of course, we've looked the whole time to see how we can make sanctions more effective. But don't be under any doubt at all of our absolute determination to make sure that the threat of Saddam Hussein is contained and that he is not able to develop these weapons of mass destruction that he wishes to do.

And as I constantly point out to people, I mean, this is a man with a record on these issues, both in respect to the murder of thousands of his own people, in respect to the war against Iran, in respect to the annexation of Kuwait. And we know perfectly well, given the chance, he will develop these weapons of mass destruction. Indeed, he's trying to do so and will get as much technology as he can to do so.

Now, of course, we've got to—we're all conscious of the fact that our quarrel is not with the Iraqi people, who in many ways suffer under the yoke of Saddam Hussein. But—and therefore, it's important that we make sure that the sanctions hit him, Saddam, as effectively as they possibly can. But we need to contain that threat, and that's why the action that we took is right and justified.

President Bush. BBC guy [Stephen Sackur, BBC], as promised.

European Rapid-Reaction Force

Q. Thank you, Mr. President. If I can pick up on what we were discussing yesterday, now that you've had a chance to talk to the Prime Minister, do you share the concerns of many in your party that the European plan for a rapid-reaction military force could seriously undermine NATO? And I'd like to hear first your response and then the Prime Minister's.

President Bush. The Prime Minister and I spent a lot of time on this subject, as well, and I support his point of view. He assured me that NATO is going to be the primary way to keep the peace in Europe and that the United States—and I assured him the United States will be actively engaged in NATO, remain engaged in Europe with our Allies.

But he also assured me that the European defense would no way undermine NATO. He also assured me that there would be a joint command, that planning would take place within NATO, and that should all NATO not wish to go on a mission, that would then serve as a catalyst for the defense forces moving on their own.

And finally, I was very hopeful when we discussed the Prime Minister's vision that such a vision would encourage our NATO allies and friends to bolster their defense budgets, perhaps. And so I support what the Prime Minister has laid out. I think it makes a lot of sense for our country.

Prime Minister Blair. Well, I was very grateful for what the President had to say on that issue. And the important thing to remember is that, as the President has just outlined to you, this is in circumstances where NATO as a whole chooses not to be engaged. It is limited to the peacekeeping and humanitarian tasks that are set out. It is not a standing army. It is a capability that Europe should have, but the sovereign decision of each nation is necessary for each operation.

And speaking together as the founders of NATO, we would never do anything to undermine NATO. But where NATO as a whole chooses not to be engaged, it is important that we have the capability, where it's right and within these limited tasks that I've set out, to be able to act, should we choose to do so ourselves.

And I think, done in that way, it is something that can strengthen NATO, give us an additional string to our bow in circumstances where NATO doesn't want to be involved. And I think the President is absolutely right in a sense to put it up to us in Europe and say, "Well, if we are going to do this, then let us make sure that our capabilities match our aspirations." And I think done in that way it is good not just for Europe, but it's good for NATO and the U.S., as well. And I think that the discussion we had on it was very useful and very constructive.

Bush-Blair Relationship

Q. How much an obstacle is it to this special relationship you say you want to have on behalf of your two countries that you are ideologically poles apart? A tax cutter versus a tax raiser; a pro-death penalty versus an anti-death penalty; America first versus an interventionist—[inaudible]—

President Bush. [Inaudible]—you shouldn't be slandering in that way. [Laughter] He can handle his politics in Britain, and I'll handle mine in America. But we've got a lot of common interests. We agree on trade. We agree on ways to keep the peace. But most important, both of us recognize that this is a special relationship, the relationship between America and Britain, and we're going to keep it that way.

It is—the Prime Minister referred to the great history of the relationship between our two countries, and this is a fantastic legacy for both of us to inherit. And it's a legacy I take seriously, and it's a legacy that I will work hard to protect. I can assure you that when either of us get in a bind, there will be a friend on the other end of the phone.

Prime Minister Blair. Well, I endorse that completely. And I think it's important to recognize, as well—I mean, you know from the work that we do in Europe, as well, there are very strong alliances that can be formed with people across so-called ideological divides of that type. But I think what is important is that what we have in common, our two countries and our interests, are so much more important for us in the work that we do.

And I should say also that I don't think if you look at the problems that are on the

President's agenda, even his domestic agenda now in terms of the economy, in terms of some of the things—we actually had a brief conversation about education policy when we were on our walk together—I think there are some interesting things happening that—there's a good dialog on some of these things, too. So I'm sorry to disappoint you.

President Bush. John [John King, Cable News Network].

China and Iraq

Q. Mr. President, you spoke yesterday about sending a message to China if it is proven that the Chinese Government was helping the Iraqis at those missile sites—the air defense sites, excuse me. Mr. Prime Minister, I'm interested in what British intelligence tells you about any Chinese involvement, and if Chinese involvement is proven, what specific steps are each of you prepared to take beyond just publicly voicing your displeasure?

President Bush. If I can answer that first, because we had a little bit of news today that the Chinese responded to our inquiry. And you're going to have to ask Condi Rice what specifically they said, but if I could paraphrase, it was: If this is the case, we'll remedy the situation. But we did get a response. As I told you yesterday, that we filed a complaint and they responded this morning.

Q. Do you trust that they will keep their word in that regard?

President Bush. I think you've always got to begin with trust until proven otherwise.

Mr. Prime Minister, you may want to—

Prime Minister Blair. I've got nothing to add to that, actually. I think that's the sensible approach, and it's the one we took, too.

Clinton Pardons

Q. Prime Minister, having stood squarely behind President Clinton for the last 4 years, through thick and thin, do you feel any embarrassment today on his behalf, as his Presidency clearly ended in scandal and sleaze?

Prime Minister Blair. You know, Trevor, as I've said over the last few days when I've been asked about this, Bill Clinton is a friend of mine and will remain a friend of mine. But I am not getting into what has been in the newspapers and media over here. I don't

think it's appropriate for me; I don't think it's right.

President Bush. Campbell [Campbell Brown, NBC News].

Northern Ireland Peace Process

Q. Mr. President, your administration has yet to become actively engaged in the peace-making process, particularly in Northern Ireland. Are you planning to become more engaged?

And Mr. Prime Minister, based on what you've observed so far, do you expect that President Bush will be as engaged as President Clinton?

President Bush. Well, we talked about the peace process and I, like I did in the campaign, want to again praise President Clinton for his involvement. I asked the Prime Minister, "Did the President have a positive effect?" He said, "Absolutely." I then asked for him to let me know if I could ever help.

As you know, our position on any peace process, is it takes willing parties to come together, and if there is a way that I can help, I'd be more than willing to do so. I'm going to wait to be asked by the Prime Minister. He's got a better handle on it than I conceivably could as to when and if the prestige of the United States is needed to make the process work better.

But we spent a lot of time discussing the issue. The Prime Minister deserves a lot of credit, as well, for working hard to bring a peace to Northern Ireland. And progress is being made, and we will—I will be standing by, anxious to help, if I'm needed.

Prime Minister Blair. Well, I was very grateful for that offer by the President. And it's difficult to perceive the exact circumstances in which I might pick up the phone and ask the President to help. But the fact that I know he is there and willing to do that is very important, because President Clinton was a great assistance during difficult parts of the Northern Ireland peace process.

And it's a very difficult process. I mean, it goes on the whole time, and we make progress, day by day, week by week, month by month, and there are still some very, very tricky issues to sort out. So I can't exactly foresee the circumstances in which the

American President can come in and be of help, but I was very grateful for the offer of that. And I think people in Northern Ireland will be, as well, because whatever the difficulties of the process there, my goodness, Northern Ireland is a different place today from what it was a few years back. And for people to know that there is that interest in the outside world, for people in Northern Ireland to know that, it gives them tremendous heart and hope.

Yes.

Bush-Blair Relationship

Q. A question for both of you. There has been a lot said about how different you are as people. Have you already in your talks found something maybe that you—some personal interest that you have in common, maybe in religion or sport or music?

President Bush. Well, we both use Colgate toothpaste. [*Laughter*]

Prime Minister Blair. They're going to wonder how you know that, George. [*Laughter*]

Q. I also wanted to ask you—you come up with a lot of nicknames for people. I wondered if you already had one for the Prime Minister.

Prime Minister Blair. Well, I'm getting even embarrassed about all the ones I choose in this press conference. [*Laughter*]

President Bush. I'm still open for suggestions.

Well, we like sports. The Prime Minister informed me this morning that he exercised at the gym prior to meeting Vice President Cheney. I informed him after this press conference, I'm going to go exercise in the gym. We've both got great wives. I think probably the place we're going to find a lot of common ground is we're both dads, and proudly so, and recognize that as our most important responsibility—is to be loving dads.

I don't know if you found any common ground or not. [*Laughter*]

Prime Minister Blair. I think that's enough to be going on with.

President Bush. Jim [Jim Angle, Fox News].

Sanctions Against Iraq

Q. Mr. President, you talked about Secretary of State Powell going to the Middle East looking for consensus on how to handle Saddam Hussein. We do know that there is a consensus that sanctions hurt the people of Iraq too much and perhaps Saddam Hussein not enough. Did the two of you discuss ways of changing the sanctions to make them tougher on him and a little less punishing for the people of Iraq? And if not, how do you hope to keep the coalition together? You already have some NATO Allies, even, who are questioning the value of the sanctions.

President Bush. Well, that's the work we've got to do. First, our beef is not with the people of Iraq; it's with Saddam Hussein. And secondly, any time anybody suffers in Iraq, we're concerned about it. And I would, however, remind you that Saddam's got a lot of oil money, and it would be helpful if he would apply it to helping his people. Having said that, to the extent that sanctions are hurting the Iraqi people, we're going to analyze that.

Colin is really going to listen. He's going to solicit opinion from our friends and folks in the Middle East. And prior to the formulation of any policy, we will have listened, and then I will, of course, consult with friends and allies such as the Prime Minister here, as we develop a policy that we hope and know will be more realistic.

The Prime Minister said something interesting, though. A change in sanctions should not in any way, shape, or form, embolden Saddam Hussein. He has got to understand that we are going to watch him carefully, and if we catch him developing weapons of mass destruction, we'll take the appropriate action. And if we catch him threatening his neighbors, we will take the appropriate action. A change in the sanction regime that is not working should not be any kind of signal whatsoever to him that he should cross any line of—and test our will, because we're absolutely determined to make that part of the world a more peaceful place by keeping this guy in check.

Q. Thank you very much.

President Bush. See you at the gym.

NOTE: The President's third news conference began at 4:45 p.m. in the Green Top Camp Dining Hall. In his remarks, he referred to Prime Minister Blair's wife, Cherie; President Vladimir Putin of Russia; and President Saddam Hussein of Iraq. This item was not received in time for publication in the appropriate issue.

**Joint Statement With Prime Minister
Tony Blair of the United Kingdom**
February 23, 2001

President George W. Bush and Prime Minister Tony Blair reaffirm the uniquely close relationship that exists between the United States and the United Kingdom: a relationship rooted in common history, common values and common interests around the globe. We commit ourselves to the shared goals of a stronger Transatlantic alliance and to helping build a Europe whole, free and secure.

We affirm that NATO will remain the essential foundation of Transatlantic security. In this new century, NATO will continue to adapt itself to meet new missions and challenges by strengthening its capabilities; seeking to reinforce cooperation with Russia, Ukraine and other members of the Partnership for Peace; and continuing to admit to its ranks European democracies prepared to assume the responsibilities of membership.

We support efforts of NATO's European Members and other European nations to assume greater responsibility for crisis management in Europe by strengthening NATO's capabilities and developing the ability to manage efforts 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), intended to make Europe a stronger, more capable partner in deterring and managing crises affecting the security of the Transatlantic community. The United Kingdom is committed to taking ESDP forward on the basis agreed by the EU at the recent Nice summit. This involves:

- Working with other EU members to establish and provide resources for an ESDP that improves Europe's capabilities and enables the EU to act where NATO as a whole is not engaged;

- Developing EU capabilities in a manner that is fully coordinated, compatible and transparent with NATO;

- Providing for the fullest possible participation of non-EU European Allies in the consideration of execution of EU-led operations, reflecting their shared interests and security commitments as NATO members.

The United States supports these efforts and welcomes the progress made toward our shared goals.

We reaffirm our commitment to promoting peace and stability in the Balkans. We declare our intent to work together and with our partners in the European Union and beyond to consolidate the peace so recently won. Our common vision is of a region, fully embedded in Europe, where commerce supplants conflict, where borders are venues for cooperation and not reasons for conflagration, and where the rule of law prevails and war criminals are brought to justice. Our two countries are committed to NATO-led military operations in the region and agree to work with allies and partners to build a region where the democratic leaders themselves take on the responsibility for implementing the peace, enabling the progressive drawdown of international military forces and in due course of the international civilian organizations.

We recognize the existence of a common threat stemming from the growing proliferation of weapons of mass destruction (WMD) and increasingly sophisticated missiles for their delivery. We are already working together in this area, and agree on the need for further substantive bilateral consultations, as well as close consultations with other allies. This consultation process, which will involve contacts with other interested parties, will include a review of our common strategic assumptions so that they reflect the contemporary security setting, and especially the growing threat from WMD-armed adversaries in regions of vital interest. We need to obstruct and deter these new threats with a strategy that encompasses both offensive and defensive systems, continues nuclear arms reductions where possible, and strengthens WMD and missile proliferation controls and counter-proliferation measures.

We reaffirm our determination to oppose the development or use of WMD and ballistic missiles by Saddam Hussein and the threat his regime poses to its neighbors, while seeking to protect the Iraqi people from the brutality of Saddam Hussein and his indifference to their humanitarian needs. We call on Iraq to comply with relevant UN Security Council Resolutions.

In the wake of the verdict issued by the Scottish High Court at Camp Zeist on January 31, we reiterate our condolences to the families of the victims of Pan Am flight 103, and call on the Libyan government to comply with the requirements of relevant UN Security Council resolutions.

The President pledges the continuing support of the United States for the Northern Ireland peace process. The Prime Minister welcomes that support.

We are both committed to taking advantage of the new possibilities for democratic development and free markets in Africa in order to address the problems of insecurity and poverty on the continent. We support the idea of a new partnership with Africa to address, in a systematic way, conflict and disease—especially HIV/AIDS—and to promote economic growth and good governance. It is in all of our interests to create a more stable and peaceful world and to make available the benefits of globalization to all peoples.

We recognize the depth of our nations' economic connection and the United Kingdom acknowledges the importance to European economies of measures designed to sustain economic growth in the United States. We commit to work together and with other European states to deepen Transatlantic economic relations and to seek solutions to trade disputes. To maintain support for the WTO, we recognize that it is important that we work for solutions to trade disputes which are in accordance with its rulings. We reaffirm our commitment to the multilateral trading system and strongly support the launch of a new Round of global trade negotiations this year. It is our goal to open markets, both regionally and globally. We agree to intensify our efforts to liberalize fully our bilateral civil aviation relationship. We reaffirm our commitment to increased coopera-

tion in the sphere of Transatlantic defense trade and the removal of unnecessary governmental barriers and impediments to such trade.

NOTE: An original was not available for verification of the content of this joint statement. This item was not received in time for publication in the appropriate issue.

The President's Radio Address

February 24, 2001

Good morning. This coming week I will be making the trip up Pennsylvania Avenue to address a joint session of Congress. We have some business to attend to called the budget of the United States.

The Federal budget is a document about the size of a big city phone book and about as hard to read from cover to cover. The blueprint I submit this week contains many numbers, but there is one that probably counts more than any other—\$5.6 trillion. That is the surplus the Federal Government expects to collect over the next 10 years; money left over after we have met our obligations to Social Security, Medicare, health care, education, defense, and other priorities.

The plan I submit will fund our highest national priorities. Education gets the biggest percentage increase of any Department in our Federal Government. We won't just spend more money on schools and education; we will spend it responsibly. We'll give States more freedom to decide what works. And as we give more to our schools, we're going to expect more in return by requiring States and local jurisdictions to test every year. How else can we know whether schools are teaching and children are learning?

Social Security and Medicare will get every dollar they need to meet their commitments. And every dollar of Social Security and Medicare tax revenue will be reserved for Social Security and Medicare.

My budget blueprint will restrain spending, yet meet growing needs with a reasonable 4 percent growth rate, which is a little more than inflation. After paying the bills, my plan reduces the national debt, and fast. So fast, in fact, that economists worry that

we're going to run out of debt to retire. That would be a good worry to have.

Finally, along with funding our priorities and paying down debt, my plan returns about one out of every four dollars of the surplus to the American taxpayers, who created the surplus in the first place. A surplus in tax revenue, after all, means that taxpayers have been overcharged. And usually when you've been overcharged, you expect to get something back.

Tax relief means real help for both American families and the American economy. Everybody who pays income taxes will receive a tax cut. Nobody will be targeted in, and nobody will be targeted out. The typical family will get about \$1,600 in tax relief, and that's real money. And that's money that will help American families manage their own accounts, manage your own balance sheets.

My address to Congress comes on Tuesday night at 9 o'clock eastern time. I hope you'll tune in and consider what I have to say. I hope you'll agree that my plan is good for you and for your family. But even more, I hope you'll agree it's good for America.

Thank you for listening.

NOTE: The address was recorded at 9:30 a.m. on February 23 in the Cabinet Room at the White House for broadcast at 10:06 a.m. on February 24. The transcript was made available by the Office of the Press Secretary on February 23 but was embargoed for release until the broadcast.

Remarks at the National Governors' Association Conference

February 26, 2001

It's good to see you all again. I hope everybody had as fun a time last night as Laura and I did. It was—I really enjoyed it, and thanks for coming.

When the history of this administration is written, it will be said the Nation's Governors had a faithful friend in the White House. I've sat where you're sitting, and I know what it's like to have a good idea and then to wait on the Federal Government to tell you whether you can try it or not.

So let me make this pledge to you all: I'm going to make respect for federalism a priority in this administration. Respect for fed-

eralism begins with an understanding of its philosophy. The Framers of the Constitution did not believe in an all-knowing, all-powerful Federal Government. They believed that our freedom is best preserved when power is dispersed. That is why they limited and enumerated the Federal Government's powers and reserved the remaining functions of government to the States.

And today I'm announcing a new federalism initiative. I will sign a directive creating an Interagency Working Group on Federalism. The Working Group will seek your opinions on the issues that Governors and other leaders in local and State government believe should be addressed. The Group will look for ways to speed up waivers and to streamline rigid rules and regulations. And it will be charged with drafting a new Executive order on federalism, which will require their departments and agencies to respect the rights of our States and territories.

We look forward to a close relationship. You've got strong advocates in my administration, starting with four former Governors: Ashcroft, Thompson, Whitman, and Bush. [Laughter] We'll also have an Intergovernmental Affairs Office run by Ruben Barrales of California, who will be responsive to your needs and your requests.

We've just lived through a decade of the most exciting, important things done by government have been done by Governors. In 7 years, you've reduced welfare rolls by more than half, improved millions of the lives of your fellow citizens by helping them find work. You brought new meaning to crime prevention programs. You pioneered education reforms, and many of you have shown how tax relief can reenergize State economies.

In Michigan and Massachusetts, New Jersey and New York, for example, tax relief pumped adrenalin into troubled economies. I saw the same thing happen in Texas when I proposed, fought for, and signed meaningful tax relief.

More than half the States have reduced taxes in each and every one of the past 3 years. Governors deserve more credit than you get when it comes to the prosperity of our country. The surging growth we've seen in States that have reduced taxes gives an

answer to the people who say we cannot afford tax cuts. You've shown we can't afford not to cut taxes.

I look forward to this discussion today to discuss how best to devolve authority back to the States. Real change comes from the bottom up, not the top down. The genius of the American system has been to let that change flow upward, from neighborhoods to cities to States and then to the Federal Government. We need to keep that path open, to give Government a human face and bring decisionmaking closer to the people. I am going to rely upon my friends, the Governors.

I look forward to being in constant contact with you. You see, you bring common sense to the political debate. You're dedicated servants. You respect the will of the people. Our country is better off for your service.

Governor Glendening.

NOTE: The President spoke at 10:55 a.m. in the East Room at the White House. In his remarks, he referred to former Governors John Ashcroft of Missouri, Tommy G. Thompson of Wisconsin, and Christine T. Whitman of New Jersey, currently Attorney General, Secretary of Health and Human Services, and Administrator of the Environmental Protection Agency, respectively; and Gov. Parris N. Glendening of Maryland, chair, National Governors' Association (NGA). The transcript released by the Office of the Press Secretary also included the remarks of Governor Glendening and Gov. John Engler of Michigan, vice chair, NGA.

Memorandum on the Interagency Working Group on Federalism

February 26, 2001

Memorandum for the Heads of Executive Departments and Agencies

Subject: Interagency Working Group on Federalism

It is hereby ordered as follows:

Section 1. Establishment. There is established the Interagency Working Group on Federalism (the "Working Group").

Section 2. Membership.

(a) The Working Group shall comprise the following officials:

- (1) Assistant to the President for Domestic Policy, who shall serve as Chairman of the Working Group;
- (2) Director, Domestic Policy Council, who shall serve as Vice Chairman of the Working Group;
- (3) Secretary of the Treasury, or an appropriate designee thereof;
- (4) Attorney General, or an appropriate designee thereof;
- (5) Secretary of the Interior, or an appropriate designee thereof;
- (6) Secretary of Agriculture, or an appropriate designee thereof;
- (7) Secretary of Commerce, or an appropriate designee thereof;
- (8) Secretary of Labor, or an appropriate designee thereof;
- (9) Secretary of Health and Human Services, or an appropriate designee thereof;
- (10) Secretary of Housing and Urban Development, or an appropriate designee thereof;
- (11) Secretary of Transportation, or an appropriate designee thereof;
- (12) Secretary of Energy, or an appropriate designee thereof;
- (13) Secretary of Education, or an appropriate designee thereof;
- (14) Secretary of Veterans Affairs, or an appropriate designee thereof;
- (15) Director of the Office of Management and Budget, or an appropriate designee thereof;
- (16) Administrator of the Environmental Protection Agency, or an appropriate designee thereof;
- (17) Counsel to the President;
- (18) Assistant to the President for Economic Policy;
- (19) Assistant to the President, Office of Faith-Based and Community Initiatives, or an appropriate designee thereof;
- (20) Assistant to the President and Chief of Staff to the Vice President, or an appropriate designee thereof;
- (21) Deputy Assistant to the President for Intergovernmental Affairs; and

- (22) Such other officials of executive departments and agencies as the President may, from time to time, designate.

Section 2. Meetings of the Working Group. The Assistant to the President for Domestic Policy or the Director, Domestic Policy Council, may convene and preside over meetings of the Working Group.

Section 3. Functions. The principal functions of the Working Group are to:

- (a) Identify initiatives that promote principles of Federalism, such as:

- (1) Federal endeavors which may more appropriately be carried out by State or local authorities;
- (2) Opportunities for flexible funding streams, regulatory waivers, and other opportunities that increase State and local flexibility, innovation, and accountability;
- (3) Measures for improving Federal responsiveness to State and local concerns; and
- (4) Enforcement of rules, orders, and procedures that advance Federalism.

(b) Draft a new Executive Order on Federalism, which will require departments and agencies in the executive branch to adhere to principles of Federalism;

(c) Consult, as appropriate, with State and local officials on issues pertaining to Federalism, including, but not limited to, the issuance of the new Executive Order on Federalism; and

(d) Produce a report to the President on recommendations for promoting principles of Federalism no later than 6 months after the issuance of this directive.

George W. Bush

Remarks Prior to a Cabinet Meeting and an Exchange With Reporters

February 26, 2001

The President. I want to thank our Cabinet for coming in today. Amongst a variety of topics, one of which is going to be—we're going to talk about the budget and my speech tomorrow night to the Congress. And I want to thank all of the Cabinet officers for their hard work in helping us prepare a realistic

budget that is going to enable our Nation to meet its priorities and at the same time not only set aside money for contingencies and pay down debt but to leave enough money left over so that people can get a real, substantial tax relief package that they will feel.

I would be glad to answer some questions.

Upcoming Address to Congress

Q. Mr. President, in your speech tomorrow night, what will be your message to the American people, and will you begin addressing reforms in the Social Security system?

The President. Of course, we'll be talking about Social Security. Secondly, I will be making the case as to why our budget makes sense for the country and for the people who pay the bills of our country. It is a common-sense approach to what our Nation ought to do with the tax revenues that are coming into the Treasury.

Q. Do you expect to propose Social Security reforms this year?

The President. I will see.

Miami Herald Florida Recount

Q. Mr. President, what are your thoughts about the final Florida recount that put you over from the Vice President, and what do you say to those who now have to call you the legitimate President that didn't call you that? [*Laughter*]

The President. Good. [*Laughter*] Hopefully, all the focus on the past is over with. It's time to move forward. And tomorrow night's speech is a part of moving forward. We've worked hard here in this administration to reach out to people that may not have supported me. I think we're making pretty good progress to say that the discussions that take place around this table, for example, are what's best for America, not what's best for a political party but what's best for the country.

Upcoming Address to Congress

Q. Sir, in your speech, will you have specific areas in the budget where spending will slow down, and will you specify those areas in your speech?

The President. No. In my speech I will talk about the budget. And in the budget is

where people will see all the particulars. If I tried to review every particular in the budget, I would set the all-time record for the amount of time in front of the Congress. And as you know, I'm the kind of person who likes to try to get to the point. I will spend enough time speaking so that people will understand where I'm coming from but not too long so they go to sleep.

Q. Mr. President, you've acknowledged that you're going to have to make cuts to the budget to some extent. What do you say to those who are saying that you're telling the American people, essentially, they can have their cake and eat it, too?

The President. What I'm going to say to the American people is that, had we kept spending at the rate we were spending last year, there would be no surplus, that the size of growth in the Federal budget that—and the budget we inherited was way too high, that we can meet our needs by slowing down the rate of growth in our budget. But it requires a President to set priorities. And I'm going to set clear priorities in the budget.

I readily concede some appropriators may not like the fact that we're asking for there to be fiscal sanity in the Federal budget, but that's one of the reasons I became the President, because I said, "Give us a chance, and we will have fiscal sanity in our budget." And I'll look forward to making the case.

The people are going to hear in plain spoken words why I believe, strongly believe, when we meet priorities, pay down debt, protect Social Security, and as importantly, make sure that people get some of their own money back so to make sure that the economy is strong, help people pay for high energy bills, to help people manage their own personal debt, we need to have tax relief—tax relief that the people can feel. And I will make the case tomorrow night that it's within our grasp to do so. And people will hear as plainly as I can say it what the facts are.

Q. It sounds like your speech will be shorter than ones we're used to in the last 8 years. [Laughter]

The President. I don't know. [Laughter] It depends on how loud you clap.

NOTE: The President spoke at 1:07 p.m. in the Cabinet Room at the White House. A tape was

not available for verification of the content of these remarks.

Proclamation 7408—American Red Cross Month, 2001

February 26, 2001

By the President of the United States of America

A Proclamation

The American Red Cross was founded in 1881 by Clara Barton, a woman selflessly devoted to the needs of humanity. Many of the Red Cross's guiding principles—compassion, courage, character, and civic duty—are timeless ideals shared by the people of the United States.

Chartered and authorized by the Congress to act in times of need, the American Red Cross serves our Nation and the world, providing compassionate assistance to people afflicted by personal, local, national, or international disasters. Every day, millions of Red Cross volunteers and employees follow in Clara Barton's footsteps by providing essential services to people in their communities.

For more than 120 years, Americans have relied on the expertise of the American Red Cross in disaster relief. Last year, the Red Cross helped people during devastating wildfires in New Mexico and Montana and in communities hit by massive ice storms in Nebraska, Arkansas, and across the Midwest. Volunteers respond to an estimated 63,000 disasters each year and help millions of people during trying times of loss. The American Red Cross also saves lives long before tragedy strikes by helping individuals and entire communities learn to prepare for disasters.

The educational information distributed by the American Red Cross helps people feel safe at home, at work, at school, and at play. Last year, the Red Cross trained nearly 12 million people in lifesaving CPR and first aid, in the use of automated external defibrillators (AEDS), on HIV/AIDS education, and in lifeguarding and water safety. Many people also know about the Red Cross because of the organization's blood collection drives. In 2000, more than 6.3 million units of blood were collected from 4 million generous blood donors.

Under its charter, the American Red Cross is entrusted to deliver emergency messages and provide vital services for military members and their families. Staff members deploy with our Armed Forces to provide emergency communications and a caring presence to service men and women separated from their families. Almost 40,000 Red Cross volunteers work at more than 100 military sites here and around the world.

Through the years, the American Red Cross has reached out to people worldwide, preventing and relieving the most desperate cases of human suffering caused by crises abroad. For families in need right now—in more than 50 developing nations—the American Red Cross is helping to establish sanitary and healthy living conditions by creating reliable sources of food and water. The organization's international services save the lives of people threatened by calamities such as epidemics, natural disasters, armed conflict, deadly weather, social strife, or economic collapse.

Now, Therefore, I, George W. Bush, President of the United States of America and Honorary Chairman of the American Red Cross, by virtue of the authority vested in me by the Constitution and laws of the United States, do hereby proclaim March 2001 as American Red Cross Month. I request, as my predecessor Franklin Roosevelt did 58 years ago, that each American enlist in the Red Cross “army of mercy”—and give part of themselves to advance this organization's noble humanitarian mission. We have a long way yet to travel, but together, we can save lives. On behalf of a grateful Nation, we applaud and salute the selfless dedication of generations of Red Crossers.

In Witness Whereof, I have hereunto set my hand this twenty-sixth day of February, 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, 8:45 a.m., February 28, 2001]

NOTE: This proclamation was published in the *Federal Register* on March 1.

Proclamation 7409—Irish-American Heritage Month, 2001

February 26, 2001

By the President of the United States of America

A Proclamation

Beginning from the earliest years of settlement, millions of Ireland's people have emigrated to America's shores. This immigration reached a particular peak during the terrible years of the Great Famine more than 150 years ago. Irish immigrants, from professionals to laborers, made an enormous contribution to the building of our Nation.

The Irish who came to America endured many hardships but have prevailed to play vital roles in every chapter of our country's history. Nine of the signers of the Declaration of Independence were of Irish origin, and 19 Presidents of the United States have proudly claimed Irish heritage—including George Washington, Andrew Jackson, John F. Kennedy, and Ronald Reagan. Irish Americans have served with distinction in every war this Nation has fought, from Revolutionaries John Barry and Stephen Moylan to General Douglas MacArthur. Other influential and renowned figures of Irish descent include pioneers Buffalo Bill Cody, Daniel Boone, and Davy Crockett; authors Flannery O'Connor, Eugene O'Neill, and John O'Hara; Civil War photographer Matthew Brady; and entertainers Jackie Gleason, Gene Kelly, and John Wayne. These distinguished Americans represent only a small sampling of the men and women whose legacy has forever changed our national identity and who trace their ancestry to Ireland's green shores.

Today, the more than 44 million Americans who claim Irish heritage look back with pride on the achievements and contributions of their forebears. Irish Americans have distinguished themselves in every sector of American life. We are all enriched, strengthened, and blessed by their service to our country.

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 March 2001 as Irish-American Heritage Month. I call upon all the people of the United States to observe this month with appropriate ceremonies and activities.

In Witness Whereof, I have hereunto set my hand this twenty-sixth day of February, 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, 8:45 a.m., February 28, 2001]

NOTE: This proclamation was published in the *Federal Register* on March 1.

**Letter to Congressional Leaders
Transmitting a Report on the Korean
Peninsula Energy Development
Organization**

February 26, 2001

Dear Mr. Chairman:

I transmit herewith the 6-month report required under the heading “International Organizations and Programs” in title IV of the Foreign Operations Appropriations Act, 1996 (Public Law 104–107), relating to the Korean Peninsula Energy Development Organization. The report, which was prepared by the previous Administration, covers the period from August 13, 2000, through January 27, 2001.

Sincerely,

George W. Bush

NOTE: Identical letters were sent to Ted Stevens, chairman, Senate Committee on Appropriations, and C.W. Bill Young, chairman, House Committee on Appropriations.

**Remarks Following Discussions With
President Andres Pastrana of
Colombia and an Exchange With
Reporters**

February 27, 2001

President Bush. It’s my honor to welcome a friend of our country to the Oval Office,

President Pastrana. We’ve had a very good discussion about Colombia—Plan Colombia—the renewal of a Trade Preference Act for the Andean nations to help their economies grow. President Pastrana is a courageous leader who is dealing with very difficult problems. I’m confident that with his leadership, his nation will be better off.

And Mr. President, I can’t thank you enough for taking a lead in your country, for having the heart that you have and the compassion for the Colombian people, and the ability to make tough decisions.

I explained to the President that we’re fully aware of the narcotics that are manufactured in his country but also told him that many of them wouldn’t be manufactured if our Nation didn’t use them, and we’ve got to work together to not only help Colombia but help our own country.

So, Mr. President, you’re welcome to come—if you’d like to make a few comments, you’re welcome to.

President Pastrana. Thank you, Mr. President. Once again, it is a great pleasure to be back with now-President Bush. We had the opportunity to meet in 1999 when President Bush was Governor. So once again, Mr. President, thank you for this opportunity in which we could exchange a lot of ideas of what’s happening in our country, and how can we deal with a common enemy that is narcotrafficking; that in the end, that is the one that is financing the violence in my country and maybe also in part of your country; and that we are going to put all the efforts to continue our fight, as we have done in our commitment against narcotrafficking, trying to reach a peace agreement in our country and strengthening our economy, creating new jobs and better jobs for our people.

So I want to thank you publicly, also, Mr. President, for all the help that you are giving us and the U.S. to get forward in this process.

Thank you very much.

President Bush. A couple questions.

Colombia

Q. Mr. President, would you be part of the negotiation table—will the U.S. be part of the negotiation table as President Pastrana—

President Bush. No, we will not be.

Q. Why?

President Bush. This is an issue that the Colombian people and the Colombian President can deal with. We'll be glad to help Colombia in any way to make the peace. We'll be glad to help the Colombian economy through trade. But I won't be present for the discussions.

National Debt/Social Security

Q. Mr. President, on the budget, your chief economic adviser is saying that your administration will not seek to retire all of the outstanding Federal debt, which is something that President Clinton had promised. Can you explain why that is—

President Bush. Yes.

Q. —and what you would suggest doing with the hundreds of billions of dollars that would be left over in the Social Security surplus that would have gone to retire it?

President Bush. Yes. Mr. President, I'm giving a speech tonight on the budget. I don't know if you have to give budget speeches, but sometimes it's hard to make those budget speeches very poetic. [Laughter]

It does not make sense to pay down debt prematurely and, therefore, have to pay a premium on the debt that you prepay. And so we've calculated the amount of debt that our Nation can pay off over the next 10 years, and that's \$2 trillion, leaving about \$800 billion unpaid.

The second followup question to that was Social Security. And tonight during my speech, I will lay out the part of the vision for modernizing the Social Security system.

We have an issue in this country, Mr. President, because people my age, affectionately known as baby boomers, will be retiring soon. And in my case, later rather than sooner, I hope. But anyway, we have trouble enough—there won't be enough money being put in the system to take care of the baby boomers when we retire. And therefore, the question is, how do we make the system work?

And I want to give younger workers the opportunity to manage some of their own money in the private markets. And to answer your question, some of that money could be used as part of a modernization plan.

Q. Do you and your economic advisers think that maybe some of this—[inaudible]—on the table—[inaudible]—short term or long term—

President Bush. No, we don't at all. As a matter of fact, we think it's the wise, wise thing to do. Again, American people have got to understand that we'll be paying down the debt as it comes due. But the idea of pre-paying debt at a premium to the taxpayers makes no sense to do that.

Q. But no impact on interest rates because of the consequent—

President Bush. No, I don't think so. As a matter of fact, the interest rates would more likely be affected by monetary policy. The economy would be affected by good, sound fiscal policy because one of the things—I don't want to give you the whole speech, because I, of course, want you to pay attention to it. But I do believe we ought to accelerate the tax relief plan. The sooner we get money into the pockets of our taxpayers, the more likely it is our economy will even out.

We've got an economic problem, Mr. President, that is of concern. It should be a concern to our neighbors. I discussed this with President Fox. We've got a mutual friend in President Fox, the President of Mexico. And he is concerned about the nature of the U.S. economy, as well. And we're going to do everything we can to make sure our economy recovers quickly, which will be beneficial. As our trading partner, it will be very beneficial.

Si.

Temporary Protected Status

Q. Did you discuss anything about the TPS for the Colombia—

President Bush. We did. And the President made a very strong case. He was very plain spoken. He brought up the case, the concerns of over a million Colombians who live here in the United States, mainly in Queens, New York, and in the State of Florida, and I listened carefully.

[At this point, a question to President Pastrana was asked and answered in Spanish, and no translation was provided.]

Upcoming Address to Congress

Q. Do you expect Democrats to give your speech a fair chance tonight? Or do you suspect that they're just ready to pounce? [Laughter]

President Bush. I, of course, will be giving the speech in the Chamber, and there will be Republicans and Democrats, but I'm really speaking to the American people. This is a speech—hold on a second—this is a speech that I want to make it clear to the American people that I have a reasonable plan for the budget.

I'm going to make it clear we meet priorities, and I'll explain what many of those priorities are; that we make sure that Social Security, the money aimed for Social Security goes only to Social Security; that we pay down debt and it will be the largest repayment of debt ever; that we've got money for contingencies in the budget; and that there is still money left over for the tax relief plan.

The problem we have oftentimes in America is that people will be asked the question, "Do you want tax relief, or do you want somebody not to get their Medicare check?" I'm going to be making the case that with the right leadership, the right priorities, and the right focus, that we will fund important programs and have money left over for tax relief.

And it's important—it's important for the American people to get some of their own money back. One, it will help the economy. Secondly, it will help the American taxpayers pay off their own personal debt.

One of the issues we have, Mr. President, in the United States is high energy bills. The cost of energy is going up because we haven't had enough exploration relative to demand. And this cash that people will get back through tax relief will help the American families manage their budgets.

I really am looking forward to giving this speech. I hope you're looking forward to listening to it.

Q. [Inaudible]—most important speech so far, sir?

President Bush. Every one of them are important.

Andean Free Trade Treaty

Q. [Inaudible].

President Bush. For trade? Absolutely. It's a very important treaty. She is asking about the free trade treaty of the Andean nations. Yes, sir—yes, ma'am, I'll be pushing it. I'm a free trader.

Q. [Inaudible]—to help the economy?

President Bush. Through trade, absolutely. And the President made a very strong case for broadening the trade agreement. I will bring up the matter with Ambassador Zoellick, who is my trade negotiator.

Adios.

NOTE: The President spoke at 2:10 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.

Notice—Continuation of the National Emergency Relating to Cuba and of the Emergency Authority Relating to the Regulation of the Anchorage and Movement of Vessels

February 27, 2001

On March 1, 1996, by Proclamation 6867, President Clinton declared a national emergency to address the disturbance or threatened disturbance of international relations caused by the February 24, 1996, destruction by the Government of Cuba of two unarmed U.S.-registered civilian aircraft in international air space north of Cuba. In July 1996 and on subsequent occasions, the Government of Cuba stated its intent to forcefully defend its sovereignty against any U.S.-registered vessels or aircraft that might enter Cuban territorial waters or airspace while involved in a memorial flotilla and peaceful protest. Since these events, the Government of Cuba has not demonstrated that it will refrain from the future use of reckless and excessive force against U.S. vessels or aircraft that may engage in memorial activities or peaceful protest north of Cuba. Therefore, in accordance with section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)), I am continuing the national emergency with respect to Cuba and the emergency authority relating to the regulation of the anchorage

and movement of vessels set out in Proclamation 6867.

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

George W. Bush

The White House,
February 27, 2001.

[Filed with the Office of the Federal Register,
11:08 a.m., February 27, 2001]

NOTE: This notice was published in the *Federal Register* on February 28.

**Message to the Congress
Transmitting a Notice on
Continuation of the National
Emergency With Respect to Cuba**
February 27, 2001

To the Congress of the United States:

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the *Federal Register* and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice to the *Federal Register* for publication, which states that the emergency declared with respect to the Government of Cuba's destruction of two unarmed U.S.-registered civilian aircraft in international airspace north of Cuba on February 24, 1996, is to continue in effect beyond March 1, 2001.

George W. Bush

The White House,
February 27, 2001.

**Address Before a Joint Session of the
Congress on Administration Goals**
February 27, 2001

Mr. Speaker, Mr. Vice President, Members of Congress: It's a great privilege to be here to outline a new budget and a new approach for governing our great country. I

thank you for your invitation to speak here tonight. I know Congress had to formally invite me, and it could have been a close vote. [Laughter] So, Mr. Vice President, I appreciate you being here to break the tie. [Laughter]

I want to thank so many of you who have accepted my invitation to come to the White House to discuss important issues. We're off to a good start. I will continue to meet with you and ask for your input. You have been kind and candid, and I thank you for making a new President feel welcome.

The last time I visited the Capitol, I came to take an oath on the steps of this building. I pledged to honor our Constitution and laws, and I asked you to join me in setting a tone of civility and respect in Washington. I hope America is noticing the difference, because we're making progress.

Together, we are changing the tone in the Nation's Capital. And this spirit of respect and cooperation is vital, because, in the end, we will be judged not only by what we say or how we say it, we will be judged by what we're able to accomplish.

America today is a nation with great challenges but greater resources. An artist using statistics as a brush could paint two very different pictures of our country. One would have warning signs: increasing layoffs, rising energy prices, too many failing schools, persistent poverty, the stubborn vestiges of racism. Another picture would be full of blessings: a balanced budget, big surpluses, a military that is second to none, a country at peace with its neighbors, technology that is revolutionizing the world, and our greatest strength, concerned citizens who care for our country and care for each other.

Neither picture is complete in and of itself. And tonight I challenge and invite Congress to work with me to use the resources of one picture to repaint the other; to direct the advantages of our time to solve the problems of our people. Some of these resources will come from Government—some but not all.

Year after year in Washington, budget debates seem to come down to an old, tired argument: on one side, those who want more Government, regardless of the cost; on the other, those who want less Government, regardless of the need. We should leave those

arguments to the last century and chart a different course.

Government has a role, and an important role. Yet, too much Government crowds out initiative and hard work, private charity and the private economy. Our new governing vision says Government should be active but limited, engaged but not overbearing. And my budget is based on that philosophy.

It is reasonable, and it is responsible. It meets our obligations and funds our growing needs. We increase spending next year for Social Security and Medicare, and other entitlement programs, by \$81 billion. We've increased spending for discretionary programs by a very responsible 4 percent, above the rate of inflation. My plan pays down an unprecedented amount of our national debt. And then, when money is still left over, my plan returns it to the people who earned it in the first place.

A budget's impact is counted in dollars but measured in lives. Excellent schools, quality health care, a secure retirement, a cleaner environment, a stronger defense: These are all important needs, and we fund them. The highest percentage increase in our budget should go to our children's education. Education is not my top priority—education is my top priority, and by supporting this budget, you'll make it yours, as well.

Reading is the foundation of all learning. So during the next 5 years, we triple spending, adding \$5 billion to help every child in America learn to read. Values are important, so we've tripled funding for character education to teach our children not only reading and writing but right from wrong. We've increased funding to train and recruit teachers, because we know a good education starts with a good teacher. And I have a wonderful partner in this effort. I like teachers so much, I married one. Laura has begun a new effort to recruit Americans to the profession that will shape our future—teaching. She will travel across America to promote sound teaching practices and early reading skills in our schools and in programs such as Head Start.

When it comes to our schools, dollars alone do not always make the difference. Funding is important, and so is reform. So

we must tie funding to higher standards and accountability for results.

I believe in local control of schools. We should not, and we will not, run public schools from Washington, DC. Yet when the Federal Government spends tax dollars, we must insist on results. Children should be tested on basic reading and math skills every year between grades three and eight. Measuring is the only way to know whether all our children are learning. And I want to know, because I refuse to leave any child behind in America.

Critics of testing contend it distracts from learning. They talk about teaching to the test. But let's put that logic to the test. If you test a child on basic math and reading skills and you're teaching to the test, you're teaching math and reading. And that's the whole idea. As standards rise, local schools will need more flexibility to meet them, so we must streamline the dozens of Federal education programs into five and let States spend money in those categories as they see fit.

Schools will be given a reasonable chance to improve and the support to do so. Yet if they don't, if they continue to fail, we must give parents and students different options: a better public school, a private school, tutoring, or a charter school. In the end, every child in a bad situation must be given a better choice because, when it comes to our children, failure is simply not an option.

Another priority in my budget is to keep the vital promises of Medicare and Social Security, and together we will do so. To meet the health care needs of all America's seniors, we double the Medicare budget over the next 10 years. My budget 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. No senior in America should have to choose between buying food and buying prescriptions.

To make sure the retirement savings of America's seniors are not diverted into any other program, my budget protects all \$2.6 trillion of the Social Security surplus for Social Security and for Social Security alone.

My budget puts a priority on access to health care, without telling Americans what doctor they have to see or what coverage they

must choose. Many working Americans do not have health care coverage, so we will help them buy their own insurance with refundable tax credits. And to provide quality care in low income neighborhoods, over the next 5 years we will double the number of people served at community health care centers. And we will address the concerns of those who have health coverage, yet worry their insurance company doesn't care and won't pay.

Together this Congress and this President will find common ground to make sure doctors make medical decisions, and patients get the health care they deserve with a Patients' Bill of Rights.

When it comes to their health, people want to get the medical care they need, not be forced to go to court because they didn't get it. We will ensure access to the courts for those with legitimate claims. But first, let's put in place a strong, independent review so we promote quality health care, not frivolous lawsuits.

My budget also increases funding for medical research, which gives hope to many who struggle with serious disease. Our prayers tonight are with one of your own who is engaged in his own fight against cancer, a fine Representative, and a good man, Congressman Joe Moakley. I can think of no more appropriate tribute to Joe than to have the Congress finish the job of doubling the budget for the National Institutes of Health.

My New Freedom Initiative for Americans with disabilities funds new technologies, expands opportunities to work, and makes our society more welcoming. For the more than 50 million Americans with disabilities, we must continue to break down barriers to equality.

The budget I propose to you also supports the people who keep our country strong and free, the men and women who serve in the United States military. I'm requesting \$5.7 billion in increased military pay and benefits and health care and housing. Our men and women in uniform give America their best, and we owe them our support.

America's veterans honored their commitment to our country through their military service. I will honor our commitment to them with a billion-dollar increase to ensure better

access to quality care and faster decisions on benefit claims.

My budget will improve our environment by accelerating the cleanup of toxic brownfields. And I propose we make a major investment in conservation by fully funding the Land and Water Conservation Fund. Our national parks have a special place in our country's life. Our parks are places of great natural beauty and history. As good stewards, we must leave them better than we found them. So I propose providing \$4.9 billion over 5 years for the upkeep of these national treasures.

And my budget adopts a hopeful new approach to help the poor and the disadvantaged. We must encourage and support the work of charities and faith-based and community groups that offer help and love, one person at a time. These groups are working in every neighborhood in America to fight homelessness and addiction and domestic violence, to provide a hot meal or a mentor or a safe haven for our children. Government should welcome these groups to apply for funds, not discriminate against them.

Government cannot be replaced by charities or volunteers. Government should not fund religious activities. But our Nation should support the good works of these good people who are helping their neighbors in need. So I propose allowing all taxpayers, whether they itemize or not, to deduct their charitable contributions. Estimates show this could encourage as much as \$14 billion a year in new charitable giving, money that will save and change lives.

Our budget provides more than \$700 million over the next 10 years for a Federal compassion capital fund, with a focused and noble mission, to provide a mentor to the more than one million children with a parent in prison and to support other local efforts to fight illiteracy, teen pregnancy, drug addiction, and other difficult problems.

With us tonight is the mayor of Philadelphia. Please help me welcome Mayor John Street. *[Applause]* Mayor Street has encouraged faith-based and community organizations to make a significant difference in Philadelphia. He's invited me to his city this summer to see compassionate action. I'm personally aware of just how effective the

mayor is. Mayor Street's a Democrat. Let the record show, I lost his city—big time. But some things are bigger than politics. So I look forward to coming to your city, to see your faith-based programs in action.

As Government promotes compassion, it also must promote justice. Too many of our citizens have cause to doubt our Nation's justice, when the law points a finger of suspicion at groups instead of individuals. All our citizens are created equal and must be treated equally.

Earlier today I asked John Ashcroft, the Attorney General, to develop specific recommendations to end racial profiling. It's wrong, and we will end it in America. In so doing, we will not hinder the work of our Nation's brave police officers. They protect us every day, often at great risk. But by stopping the abuses of a few, we will add to the public confidence our police officers earn and deserve.

My budget has funded a responsible increase in our ongoing operations. It has funded our Nation's important priorities. It has protected Social Security and Medicare. And our surpluses are big enough that there is still money left over.

Many of you have talked about the need to pay down our national debt. I listened, and I agree. We owe it to our children and grandchildren to act now, and I hope you will join me to pay down \$2 trillion in debt during the next 10 years. At the end of those 10 years, we will have paid down all the debt that is available to retire. That is more debt, repaid more quickly than has ever been repaid by any nation at any time in history.

We should also prepare for the unexpected, for the uncertainties of the future. We should approach our Nation's budget as any prudent family would, with a contingency fund for emergencies or additional spending needs. For example, after a strategic review, we may need to increase defense spending; we may need to increase spending for our farmers or additional money to reform Medicare. And so, my budget sets aside almost a trillion dollars over 10 years for additional needs. That is one trillion additional reasons you can feel comfortable supporting this budget.

We have increased our budget at a responsible 4 percent. We have funded our priorities. We paid down all the available debt. We have prepared for contingencies. And we still have money left over.

Yogi Berra once said, "When you come to a fork in the road, take it." [Laughter] Now, we come to a fork in the road; we have two choices. Even though we have already met our needs, we could spend the money on more and bigger Government. That's the road our Nation has traveled in recent years.

Last year Government spending shot up 8 percent. That's far more than our economy grew, far more than personal income grew, and far more than the rate of inflation. If you continue on that road, you will spend the surplus and have to dip into Social Security to pay other bills. Unrestrained Government spending is a dangerous road to deficits, so we must take a different path.

The other choice is to let the American people spend their own money to meet their own needs. I hope you will join me in standing firmly on the side of the people. You see, the growing surplus exists because taxes are too high and Government is charging more than it needs. The people of America have been overcharged, and on their behalf, I am here asking for a refund.

Some say my tax plan is too big. Others say it's too small. I respectfully disagree. [Laughter] This plan is just right. I didn't throw darts at a board to come up with a number for tax relief. I didn't take a poll or develop an arbitrary formula that might sound good. I looked at problems in the Tax Code and calculated the cost to fix them.

A tax rate of 15 percent is too high for those who earn low wages, so we must lower the rate to 10 percent. No one should pay more than a third of the money they earn in Federal income taxes, so we lowered the top rate to 33 percent.

This reform will be welcome relief for America's small businesses, which often pay taxes at the highest rate. And help for small business means jobs for Americans. We simplified the Tax Code by reducing the number of tax rates from the current five rates to four lower ones, 10 percent, 15, 25, and 33 percent. In my plan, no one is targeted in or

targeted out. Everyone who pays income taxes will get relief.

Our Government should not tax and, thereby, discourage marriage, so we reduced the marriage penalty. I want to help families rear and support their children, so we doubled the child credit to \$1,000 per child. It's not fair to tax the same earnings twice—once when you earn them, and again when you die—so we must repeal the death tax.

These changes add up to significant help. A typical family with two children will save \$1,600 a year on their Federal income taxes. Now, \$1,600 may not sound like a lot to some, but it means a lot to many families: \$1,600 buys gas for two cars for an entire year; it pays tuition for a year at a community college; it pays the average family grocery bill for 3 months. That's real money.

With us tonight representing many American families are Steven and Josefina Ramos. They are from Pennsylvania, but they could be from any one of your districts. Steven is the network administrator for a school district. Josefina is a Spanish teacher at a charter school. And they have a 2-year-old daughter.

Steven and Josefina tell me they pay almost \$8,000 a year in Federal income taxes. My plan will save them more than \$2,000. Let me tell you what Steven says: "Two thousand dollars a year means a lot to my family. If we had this money, it would help us reach our goal of paying off our personal debt in 2 years' time." After that, Steven and Josefina want to start saving for Lianna's college education.

My attitude is, Government should never stand in the way of families achieving their dreams. And as we debate this issue, always remember, the surplus is not the Government's money; the surplus is the people's money.

For lower income families, my tax plan restores basic fairness. Right now, complicated tax rules punish hard work. A waitress supporting two children on \$25,000 a year can lose nearly half of every additional dollar she earns above the \$25,000. Her overtime, her hardest hours, are taxed at nearly 50 percent. This sends a terrible message: "You'll never get ahead."

But America's message must be different. We must honor hard work, never punish it.

With tax relief, overtime will no longer be over-taxed-time for the waitress. People with the smallest incomes will get the highest percentage of reductions. And millions of additional American families will be removed from the income tax rolls entirely.

Tax relief is right, and tax relief is urgent. The long economic expansion that began almost 10 years ago is faltering. Lower interest rates will eventually help, but we cannot assume they will do the job all by themselves.

Forty years ago, and then 20 years ago, two Presidents, one Democrat, one Republican, John F. Kennedy and Ronald Reagan, advocated tax cuts to, in President Kennedy's words, "get this country moving again." They knew then what we must do now. To create economic growth and opportunity, we must put money back into the hands of the people who buy goods and create jobs.

We must act quickly. The Chairman of the Federal Reserve has testified before Congress that tax cuts often come too late to stimulate economic recovery. So I want to work with you to give our economy an important jump-start by making tax relief retroactive.

We must act now because it is the right thing to do. We must also act now because we have other things to do. We must show courage to confront and resolve tough challenges, to restructure our Nation's defenses, to meet our growing need for energy, and to reform Medicare and Social Security.

America has a window of opportunity to extend and secure our present peace by promoting a distinctly American internationalism. We will work with our allies and friends to be a force for good and a champion of freedom. We will work for free markets, free trade, and freedom from oppression. Nations making progress toward freedom will find America is their friend. We will promote our values. We will promote the peace, and we need a strong military to keep the peace.

But our military was shaped to confront the challenges of the past. So I've asked the Secretary of Defense to review America's Armed Forces and prepare to transform them to meet emerging threats. My budget makes a downpayment on the research and development that will be required. Yet, in our broader transformation effort, we must

put strategy first, then spending. Our defense vision will drive our defense budget, not the other way around.

Our Nation also needs a clear strategy to confront the threats of the 21st century, threats that are more widespread and less certain. They range from terrorists who threaten with bombs to tyrants in rogue nations intent upon developing weapons of mass destruction. To protect our own people, our allies, and friends, we must develop and we must deploy effective missile defenses.

And as we transform our military, we can discard cold war relics and reduce our own nuclear forces to reflect today's needs. A strong America is the world's best hope for peace and freedom.

Yet the cause of freedom rests on more than our ability to defend ourselves and our allies. Freedom is exported every day, as we ship goods and products that improve the lives of millions of people. Free trade brings greater political and personal freedom. Each of the previous five Presidents has had the ability to negotiate far-reaching trade agreements. Tonight I ask you to give me the strong hand of Presidential trade promotion authority and to do so quickly.

As we meet tonight, many citizens are struggling with the high cost of energy. We have a serious energy problem that demands a national energy policy. The West is confronting a major energy shortage that has resulted in high prices and uncertainty. I've asked Federal agencies to work with California officials to help speed construction of new energy sources, and I have directed Vice President Cheney, Commerce Secretary Evans, Energy Secretary Abraham, and other senior members in my administration to develop a national energy policy.

Our energy demand outstrips our supply. We can produce more energy at home while protecting our environment, and we must. We can produce more electricity to meet demand, and we must. We can promote alternative energy sources and conservation, and we must. America must become more energy independent, and we will.

Perhaps the biggest test of our foresight and courage will be reforming Medicare and Social Security. Medicare's finances are strained, and its coverage is outdated. Nine-

ty-nine percent of employer-provided health plans offer some form of prescription drug coverage. Medicare does not. The framework for reform has been developed by Senators Frist and Breaux and Congressman Thomas, and now is the time to act.

Medicare must be modernized, and we must make sure that every senior on Medicare can choose a health care plan that offers prescription drugs.

Seven years from now, the baby boom generation will begin to claim Social Security benefits. Every one in this Chamber knows that Social Security is not prepared to fully fund their retirement. And we only have a couple of years to get prepared. Without reform, this country will one day awaken to a stark choice: Either a drastic rise in payroll taxes or a radical cut in retirement benefits. There is a better way.

This spring I will form a Presidential commission to reform Social Security. The commission will make its recommendations by next fall. Reform should be based on these principles: It must preserve the benefits of all current retirees and those nearing retirement; it must return Social Security to sound financial footing; and it must offer personal savings accounts to younger workers who want them.

Social Security now offers workers a return of less than 2 percent on the money they pay into the system. To save the system, we must increase that by allowing younger workers to make safe, sound investments that yield a higher rate of return. Ownership, access to wealth, and independence should not be the privilege of the few. They are the hope of every American, and we must make them the foundation of Social Security.

By confronting the tough challenge of reform, by being responsible with our budget, we can earn the trust of the American people. And we can add to that trust by enacting fair and balanced election and campaign reforms.

The agenda I have set before you tonight is worthy of a great nation. America is a nation at peace but not a nation at rest. Much has been given to us, and much is expected. Let us agree to bridge old divides. But let us also agree that our good will must be dedicated to great goals. Bipartisanship is more

than minding our manners; it is doing our duty.

No one can speak in this Capitol and not be awed by its history. At so many turning points, debates in these chambers have reflected the collected or divided conscience of our country. And when we walk through Statuary Hall and see those men and women of marble, we're reminded of their courage and achievement.

Yet America's purpose is never found only in statues or history. America's purpose always stands before us. Our generation must show courage in a time of blessing, as our Nation has always shown in times of crisis. And our courage, issue by issue, can gather to greatness and serve our country. This is the privilege and responsibility we share. And if we work together, we can prove that public service is noble.

We all came here for a reason. We all have things we want to accomplish and promises to keep. *Juntos podemos*—together we can.

We can make Americans proud of their Government. Together we can share in the credit of making our country more prosperous and generous and just and earn from our conscience and from our fellow citizens the highest possible praise: Well done, good and faithful servants.

Thank you all. Good night, and God bless.

NOTE: The President spoke at 9:10 p.m. in the House Chamber of the Capitol. In his remarks, he referred to Major League Baseball Hall of Famer Yogi Berra.

Memorandum on Racial Profiling

February 27, 2001

Memorandum for the Attorney General

Subject: Racial Profiling

I hereby direct you to review the use by Federal law enforcement authorities of race as a factor in conducting stops, searches, and other investigative procedures. In particular, I ask that you work with the Congress to develop methods or mechanisms to collect any relevant data from Federal law enforcement agencies and work in cooperation with State and local law enforcement in order to assess the extent and nature of any such practices.

I further direct that you report back to me with your findings and recommendations for the improvement of the just and equal administration of our Nation's laws.

George W. Bush

NOTE: This memorandum was released by the Office of the Press Secretary on February 28.

Exchange With Reporters During a Tour of Control Concepts Corporation in Beaver, Pennsylvania *February 28, 2001*

National Economy/Tax Cut Legislation

Q. Chairman Greenspan this morning said that the slowdown doesn't look like it's run its course yet, and I'm wondering if you can comment on that.

The President. All the more reason to accelerate the tax cut. And I think our Nation needs to be wary of the economic times, and Congress needs to know that. Congress needs to work with me to accelerate a meaningful tax reduction package as quickly as possible.

Q. With the votes the way they are in the Senate, sir, can you get your package through in time and make a difference?

The President. I am confident we're going to get a significant tax relief package through. It's going to have enough oomph to it to help the economy. And that's one reason I'm traveling around the country, to make the case.

Q. Does that suggest, sir—

The President. —Roberts [John Roberts, CBS News], on the other hand.

Q. Does that suggest, sir, that it may not be the package that you want?

The President. Oh, we're going to get the package out.

Address to the Congress

Q. Sir, how do you feel it went last night, Mr. President?

The President. You need to ask other people. I felt—well, I've passed the initial review. My wife thought I did all right. That was—

Q. Were you nervous?

The President. No, I wasn't nervous at all. I was pleased with the reception, and I was excited to be there. I had something to say, and I was prepared. I spent enough time on the speech to be comfortable with what I was going to say.

I was struck by how cozy the confines were in the hall. I've never really, obviously, been there in that position. It was actually the first State of the Union type of speech I'd ever seen. In this case, I actually got to—I couldn't say I exactly watched it—participated in it.

Tax Cut Legislation/National Economy

Q. How hard will be—

The President. You know, it's never easy for the President to get exactly what he wants. We're going to get a—I believe it's going to be \$1.6 trillion. And people begin to realize the logic in the plan and that we can meet priorities, including debt repayment, and have a contingency fund, and that we need to pass a substantial portion of the money back to the people in order to help them help themselves, as well as provide stimulus to make sure our economy grows.

And I'm really looking forward to continuing to make the case—last night was the kickoff—today, tomorrow, and then the following week, and we'll take a grand tour of the country together. I'm speaking to people that are going to make a difference, and those are the citizens. Those are the people that will actually be writing their Congressmen and Senators, encouraging them to hopefully join with me in passing money back.

Q. Mr. President, now that you've taken off the glasses, sir, would you care to comment on Mr. Greenspan's testimony this morning?

The President. Say it again? What did you say?

Q. Mr. Greenspan offered a sober assessment of the current state of the economy through the sharp downturn that's been evident in the last few months. It seems to be far from running its course.

The President. I am concerned about the state of the economy. I recognize the economy is slowing down. And that's all the more reason for Congress to work to pass money

back to the people and form the meaningful tax relief, and to do it as quickly as possible.

Q. And if you put the vote in the Senate, sir, as they are, do you believe you can get your tax package through the way you want it?

The President. I think we will get the tax package through. I believe a lot of people are going to take a hard look at reality and look at the facts and realize we've got ample money to meet needs and pay down debt and that we've got to stimulate the economy through tax relief, as well as give people more cash so that they can manage their own accounts.

There's a lot of talk in Washington about national debt, and that's a legitimate discussion. But I also want people to understand, there's a lot of people who have got consumer debt, and tax relief will help people manage their own balance sheets.

See you in Nebraska. By the way, I made you famous by calling you Stretch.

Q. My parents said that I've been called a lot worse.

The President. Particularly by them.

NOTE: The exchange began at approximately 9:15 a.m. In his remarks, the President referred to reporter David "Stretch" Gregory, NBC News. Reporters referred to Federal Reserve Board Chairman Alan Greenspan. A tape was not available for verification of the content of this exchange.

Remarks in a Roundtable Discussion on Small Business in Beaver

February 28, 2001

[The discussion began with Control Concepts Corp. President Geoffrey Taylor thanking the President for his visit and saying his 4-year-old daughter was curious about the names of the President's puppies.]

The President. Let me see if I can get it right. [Laughter] We're the proud owner of Spot. She was born in the White House in 1989 to Millie. On November 4th, I was campaigning in New Jersey. It happened to be my wife's birthday, and the then-Governor of New Jersey said, "Well, Governor, what did you buy your wife for her birthday?" I said, "Nothing"—which wasn't the right answer—[laughter]—certainly not politically

correct, as they say. It then happened that Laura and Christie Todd started talking about the fact that Christie Todd raises Scottish terriers. It turns out I did buy my wife something for her birthday, a Scottish terrier named Barney, who is having a heck of a time on the carpet upstairs in the White House, by the way.

The answer is, Spot and Barney—[*laughter*]—and one cat named India.

[*Mr. Taylor described the operation of Control Concepts and stated that the President's tax plan would be of great benefit to Control Concepts and to small companies across the Nation.*]

The President. Well, thank you, sir.

I want to thank you all for having me. First, the greatness—this country's greatness is because there are a lot of entrepreneurs in America, and you are an entrepreneur. And I'm honored to be sitting next to you and your son.

I love the concept of a family-owned business, the idea of a mom and her son working together to not only produce a product but, more importantly, to employ capital so people can find work. After all, small businesses are the main creators of jobs in America. And all public policy and tax policy must work to create an environment in which entrepreneurship can flourish.

So my speech last night was speaking not only about a budget but was also talking about the entrepreneurial spirit in our country. And one of the reasons we came here is because the entrepreneurial spirit is alive and well here, and I appreciate it very much.

It is important to remember the role of Government is not to create wealth. The role of Government is to create an environment in which businesses, small and large, can flourish. That's the role of Government.

I want to thank my friend the Governor of Pennsylvania for being here. We hosted the Governors at the White House last Sunday night. It happened to be the first lady of Pennsylvania's birthday, as well. And it was good to see you, Tom. Thanks for coming.

Pennsylvania is well represented in the United States Senate by two very capable, smart, concerned Pennsylvania citizens—so concerned, we spent most of the flight from

Washington to Pennsylvania talking about how to make the economy of Pennsylvania a better place. Senator Specter and Senator Santorum are not shrinking violets when it comes to making the case for the citizens of Pennsylvania and the country. I want to thank you all for traveling with me. Finally, a freshman, just like me, Melissa Hart—and Melissa is an active soul.

I appreciate you giving me the chance to explain the rationale behind my budget. It was very important for people to hear that what I think is—what I know is true, and that is we've got a lot of cash flow coming into the U.S. Treasury. And the fundamental question is what to do with it: How best can we spend the people's money?

Last night I made the case that our Nation can achieve the following priorities: One, set aside all payroll taxes that are designed for Social Security to be spent only on Social Security. That is \$2.6 trillion over the next 10 years will be set aside to be spent only—only—on Social Security. I believe there's wide consensus on both sides of the aisle that that is prudent fiscal policy.

Secondly, I made the case that we can prioritize and fund Medicare for our senior citizens, that we're going to spend—we're going to double the Medicare budget over the next 10 years. And if we have the right kind of leadership in the Congress, someone willing to—people who are willing to work with the President to reform Medicare, we will not only have money to fund Medicare, we will have a Medicare system that will enable seniors to choose the health care plan that meets their needs, all of which will include prescription drugs.

I made the case that we can meet our needs by funding what's called discretionary spending at a 4 percent increase. Some says 4 percent sounds like a small number, but I want to remind you it's greater than the rate of inflation. It is less than what Congress spent during the last three sessions, I readily concede. But we've got to be careful about overspending in Washington, DC. We shouldn't have bidding contests in Washington. What we ought to have is rewards

for people who are concerned about over-spending, it seems like to me. And so I propose increasing the discretionary spending at 4 percent.

It means, for example, that public schools will get a significant increase in spending out of the Federal Government. Now, having said that, I promise you I will stand tough to the principle that we ought to run our schools locally—that local control of the schools—that we’ve got to run our schools locally in order to achieve excellence for every single child.

We need to pay our soldiers more money. We need to make sure that they are well paid. But before we spend a lot of money on the Defense Department, it seems wise—and I think business people will agree with this—that we ought to have a strategy about what our military ought to look like in the long term. We’ve got to make sure we have a proper strategy on how to prioritize our military spending before we do so.

There is still money left in the budget, after growing discretionary spending by 4 percent, after funding the entitlement programs, after meeting priorities. Over the next 10 years, we set aside a trillion dollars for what I call contingencies, a trillion dollars in case we need money for additional Medicare spending or military spending or spending on the farmers in America. So there is money set aside for that, and there is still money left over.

Now, the debate always seems to come out of Washington that if you have tax relief, somebody is not going to get their Medicare check, or if you have tax relief, somebody is not going to get a Social Security check. My point to you is that we set priorities and fund them; we protect Social Security and Medicare and fund them; we spend money on the military to keep the peace; we set aside contingencies, money for contingencies, and there’s still money.

And what I want to do is to remind Americans—this is why I’ve come to western Pennsylvania—remind Americans that the surplus is your money; it is not the Government’s money, and once we fund priorities, we ought to give it to you.

One reason Dave and Janet sit here is because I think it is very important for people

to know that behind every statistic there are Americans who—in whom we ought to place our trust. These good folks pay \$4,400 in Federal income taxes. Under the plan I proposed last night in the Congress—which doubles the child credit from \$500 to \$1,000, reduces all rates for everybody who pays taxes, drops the top rate from 39 to 33, reduces the bottom rate from 15 to 10, reduces the effects of the marriage penalty, eliminates the death tax—these good folks will save \$1,980.

Now, for a lot of folks, they’ll yawn and say, “Gosh, that’s \$1,980. That’s really nothing.” We disagree. We disagree—\$1,980 a year can make a big difference to people who are raising two lovely children, to people who want to set aside money for savings. It is so important for Members of the Congress to realize what the average citizen is going through today.

When you couple high energy prices with consumer debt, there’s a lot of good folks who struggle in America. And it seems like to me that the right thing for Washington to do is, once we fund our priorities, enhance the cash flows of the people who pay the bill in the first place in America. In so doing, not only do we help working Americans but we also will add a second wind to an economy that is slowing down.

I come from the school of thought—I know many of you do, as well—that sound fiscal policy coupled with sound monetary policy is going to make a difference in this economy, that by giving people their own money back will be a part of sound fiscal policy. The more money you have to spend, the more money circulating, the more likely it is the economy will recover. And all of us in Washington must do everything we can to make sure that the economy is strong enough for people to be able to keep jobs and find work, if they’re looking for work. That’s the whole purpose of economic growth, is for people to be able to find work.

I’m so thankful that you gave me a chance to come to make my case. I can’t think of a better place to make the case than in a business run by a family, a business run by entrepreneurs, a business who care more about their employees than they do about

themselves because they recognize if the employee is happy, an employee can work, an employee is satisfied, that the business itself will run well.

It's my honor also to be here with Dave and Janet and Erin and Jonathan, Americans who under our plan will receive real, tangible benefits. But that's not really the right way to say it, is it? It's your money to begin with, Americans, who under our plan will keep more of their own money so they can spend it where they see fit.

Thank you very much.

[Dave Berger explained how he started working for Control Concepts.]

The President. I'll give you a loaded question. Do you want some tax relief? *[Laughter]*

Mr. Berger. All you can give. *[Laughter]*

The President. You know, I'm constantly amazed that—first of all, one of the things that happens when you talk about tax relief, people immediately go to the class warfare argument, that “only the rich people will benefit,” which obscures reality, and reality is, \$1,980 is a lot of money. And I'm not going to ask you what you're going to do with it, because I trust you to do the right thing with it. Frankly, it's none of the Government's business about what you decide to do with your own money. But I bet it may have something to do with your children's future education, for example.

[Administrative medical technician Janet Berger briefly described her work and how pleased she and her patients were that the President was discussing their health care needs.]

The President. Yes. Well, we're concerned, all of us are concerned about making sure that Medicare fulfills the promise to our seniors. It is a solemn obligation that the Federal Government has assumed, and it's a solemn obligation that the Federal Government will keep.

And there will be a lot of discussion, a lot of argument about how to get where we're going to end up, but we're going to end up with reform that will make the system solvent and give seniors a variety of options in order to tailor a plan that meets their needs, all of which will include prescription drugs. And

it's going to be a titanic struggle. But it's one that, with the right leadership and the right tone in Washington, DC, people I think are going to be able to come together on, and I think we'll get something done.

Mrs. Berger. And on a personal note, I'm glad to hear that your tax reform will refund almost \$2,000 for our family for education and our needs.

The President. Well, thanks. I—let me talk about a couple of aspects of this tax relief plan that I want to explain to you.

First of all, I believe that the Government should not decide, oh, you get tax relief, and you don't get tax relief. To me, the best tax policy is to treat everybody fairly and to say if you pay taxes, you get relief.

Secondly, it is very important to understand that the Tax Code is unfair for people at the bottom end of the economic ladder. If you're, say, a single mom struggling to get ahead in life and you're making about \$22,000 a year, as she begins to earn additional money, she loses earned-income tax credit; she pays payroll taxes; and she pays income taxes, which means that every additional dollar above a level around \$22,000 is taxed at nearly 50 percent. That's the way this Tax Code is structured.

It means that folks who struggle to get to the middle class pay a higher marginal rate than someone who is successful, someone who has got quite a bit of cash flow, and that's not fair.

Part of the tax relief package has got to be aimed at making the code easy to understand and fair. One thing our country is known for is being a fair country. Another thing we ought to be known for is that we want people to succeed, and the code ought to reward success.

Secondly, a lot of small businesses, as I mentioned earlier, these small businesses provide, by far, the vast majority of new jobs in America. And dropping the top rate will serve as a catalyst to attract capital to small businesses. Many small businesses are unincorporated small businesses; many are what's called Subchapter S businesses, and they pay the high rate. And by dropping the rate, it will provide capital for small business expansion. And that's very important for this country.

And I know the rhetoric will be, “Oh, he’s focused on the billionaires,” and all that business. That’s called class warfare. The truth of the matter is, this plan is aimed at helping small businesses flourish and grow and succeed.

It is important for America that the small business person remain vital and healthy. And so this is a plan that is well-thought-out. It is—I found it interesting during the course of the speech last night, I said, “Some think it’s too big”—and of course, those who thought it was too big cheered—“and some think it’s too little”—and they cheered. Of course, I thought it was just right. [Laughter]

Let me say that part of my job as President, as well—I might as well be just very upfront—is to travel the country ginning up support for this plan. And that’s why I’m here. I would hope that you would not only contact your immediate Representatives—I don’t think you need to in the case of the three here—[laughter]—but I would hope that if you find others that may be reluctant to listen to what we have to offer—and I say “we” because this is a plan that really is aimed for people—that you would help, that you would write, that you would e-mail, that you would call folks to encourage them to be openminded and to think about you when they cast votes.

And this is a plan that will benefit hard-working Americans. I find it such an honor to be your President, and I love traveling the country, to go out and—I’m going from here to Nebraska and Iowa and Arkansas and Georgia. And it is exciting because this is a great country, made great by the fact that it’s got such wonderful people. And it’s so important for all of us who have the honor of representing you to have public policy in mind that makes lives easier. And this series of initiatives that we’re going to be debating over the next months will be aimed, if it’s done right, at easing the burden on the working people in the country. And America will be even stronger as a result.

So it’s an honor to be here.

[Mr. Taylor stated the President’s tax plan would be good not only for the economy and for employees but would allow small-business owners to reinvest in their businesses, creating a cycle of economic expansion. He

added that long-term debt reduction would further spur the economy.]

The President. I appreciate you bringing that up. We have set aside \$2 trillion over the next 10 years to pay down debt. Now, people say, “Well, why don’t you pay all the debt off?” One reason why you don’t pay all the debt off is because at the end of 10 years, a number of bonds will have not matured. It does not make economic sense to prepay American debt that will cost American taxpayers a premium to do so.

And so we pay down all available debt; all the debt that matures will be paid off. And it’s going to ease the interest burden on the country. It makes fiscal sanity, sense to do so. And there’s ample cash flow to be able to meet the debt requirements and put aside a contingency fee and provide tax relief.

I urge the Congress to be cautious about overspending. The rate of spending increased last year by 8 percent. That is a significant number, particularly when you’re talking in terms of trillions. And there was something like over 5,000 one-time expenditures in the budget at the end of the year. And so we have to work with the appropriators to say, “Let’s be reasonable about how we spend the people’s money.”

A sure way to make sure this economy gets drug down is to overspend. A bloated Federal Government will affect economic vitality. And so it’s going to require a lot of us working together to say, “Well, wait a minute. It’s important to set priorities.” One thing business owners learn how to do is how to prioritize and then have the discipline necessary to meet priorities.

So I appreciate you bringing up the debt retirement, and it’s an issue that I’m confident we can work together on. It’s just important for people to know that it’s only wise to pay down a certain portion of the debt before it costs taxpayers an additional premium. And that doesn’t make any sense. It doesn’t make any sense to do that.

[Mr. Berger said he was interested in education reform and impressed that the President would increase spending for reading.]

The President. I am. You all know I used to be a Governor, and therefore, I’m a little suspect about Federal involvement in any

way, shape, or form in education. I do, however, think that it is appropriate for the Federal Government to spend money, so long as it's spent wisely. I can't think of anything more important than to increase the amount of money available at the Federal level for reading programs, so long as the strategy makes sense.

And there has been a lot of thought and a lot of research about what works. A lot of programs in States, you know, abandoned the concept of phonics, and as a result, many children weren't learning to read. The reason I bring that up is I want to reinvigorate the curriculum debate, all based upon—the conclusion of which we based upon a simple concept: If it works, use it. So part of the reading initiative is to encourage people to analyze the facts about reading.

Secondly, I strongly believe in diagnosis. And I believe we've got to measure children. And I believe we've got to measure children to make sure that not any children get left behind. And that includes K-through-two little children. We ought to develop a reading diagnostic tool that can be easy to administer but will point up where there are some reading deficiencies that need to be corrected early, before it's too late. That is a very feasible and logical approach to reading.

Finally, I know we need to retrain teachers. Part of the failures in our society thus far have been that some teacher colleges—I'm certainly not accusing any here in the State of Pennsylvania, Governor—that have not taught teachers how to teach reading. And if that be the case, we need to retrain teachers in the science of reading, so they can teach reading. So I believe this makes sense, the initiative.

I used to be a business person. As a matter of fact, I was in a business where the results were posted every day. It's called baseball. Generally, the results weren't all that good. [Laughter]

So I understand when the president of a company says, "What is the bottom line?" It is a philosophy to which I adhere. I ask the question, are the children learning? And if we spend Federal money, particularly on disadvantaged children, the debate ought to be not whether or not we ought to spend money on disadvantaged children; the debate

ought to be, are we getting our money's worth?

I believe every child can learn. I refuse to accept excuses that there are certain children who can't learn; therefore, let's don't measure, or let's just move them through the system.

And so therefore, I'm asking Congress to say—to enact this reform. If you receive Federal money, you the State of Pennsylvania, or the State of Texas or any other State, must devise and implement an accountability system that determines whether or not children are learning basic English skills and math skills. That's what we want to know. Accountability becomes the whole cornerstone for reform.

Without measurement, we're just guessing. With measurement, it would enable policymakers and educators to devise programs that will meet needs. You don't know if you don't measure.

And so the crux of the reform is that we do spend some more money, and that's fine. But money alone is simply not the answer. There must be reform. There must be a system in place that creates the incentive for people to change when there's failure and to address problems early before it's too late. It's the whole cornerstone of what we're trying to do.

The State of Pennsylvania can design the remedies. They can design what remedies will ultimately make a difference in terms of creating educational excellence. The Federal Government ought to be focused on some targeted spending but also understanding that systemic reform will yield positive results for children from all walks of life. It is an incredibly important debate that is taking place in Washington.

You will hear much of the dialog that will be all focused on dollars, and that's an important part of the debate. But the truth of the matter is that Federal Government only funds about 7 percent of the education budgets in aggregate across the Nation. Most funding, as you well know, in Pennsylvania comes from either State Government or local property taxes. And that's where the power ought to be. It ought to be closest to the people who are paying the bills in order to

make sure that schools chart the path to excellence necessary so every child learns.

But at the Federal level, we can institute structural reform or insist upon changes that will eventually yield to structural reform, and that's what the whole educational debate is about. And it's an important debate in America, and I'm really glad we've engaged early on that subject in the Senate and the House. You got more than you wanted.

Mr. Taylor. Education is also very important to me. As I had mentioned earlier, I have two small children. And as they grow up, we need to have some type of accountability so that they are learning the reading and writing skills necessary.

The President. It starts with you, however, as you know.

[*The discussion continued to its conclusion.*]

NOTE: The roundtable began at 9:35 a.m. at Control Concepts Corp., a manufacturer of industrial switch devices. In his remarks, the President referred to former New Jersey Gov. Christine T. Whitman, Administrator, Environmental Protection Agency; Mr. Taylor's mother, Carolyn Taylor Renninger, chief executive officer, Control Concepts Corp.; and Gov. Tom Ridge of Pennsylvania.

Remarks in Omaha, Nebraska

February 28, 2001

The President. Thank you very much. I'm glad I came. I'm not saying I don't like my new address, I do. But it's good to get out in the countryside, too. It's good to get out so I can shake hands with the folks that make America work. It's good to get to the heartland, where people proudly stand on values of faith and family.

I'm honored you'd invite me. I'm glad I came. Mr. Mayor, thank you for your friendship. It's great to be here with the Governor and first lady of the State of Nebraska, two fine people and two good friends of Laura and mine.

It's also a thrill to travel from Washington with two fine United States Senators, Senator Hagel and Senator Nelson. The good thing about these two Senators is this: I know I'm going to be able to count on them in the pinch. I know when it comes to doing the

right thing, they'll listen to the people of Nebraska.

I'm also honored to be traveling with the Congressman, Lee Terry. He's a good, solid man. I'm proud to be on the stage with three Iowa Congressmen. And I appreciate you relaxing your border standards to let them in. [*Laughter*] The Lieutenant Governor is here.

My fellow citizens, it is an honor to be your President. I'm proud to call 1600 Pennsylvania Avenue home, and so is the First Lady. And I was proud to stand up in front of the United States Congress last night to bring a message of the American people, a commonsense message, a message of budgets and priorities. I truly felt like I was representing you when I talked about fiscal sanity and talked about the need for our Government to set clear priorities.

One of our priorities in the budget and one of our national priorities must be to make sure that every child—I mean every child—gets educated in the great land called America. Even though I have a Washington, DC, temporary address, I want you to know I strongly believe in local control of schools. I believe the people who care more about the children of Nebraska are the citizens of Nebraska and we must work together, the Congress and the executive branch must work together to pass power out of Washington to provide flexibility at the local level. One size does not fit all when it comes to educating the children of our country.

I want to insist that we spend more money on programs like reading initiatives—an initiative that will help all children learn to read, an initiative that will be based upon the fact that reading is a science—and we must use curriculum that will work. Phonics needs to be an integral part of the curriculum.

We're going to raise the standards. You see, what we believe is that every child in America can learn. We're going to reject the thought that certain children can't learn, so we'll just move them through the system. That's got to end—it's got to end. And what we stand for, what the people know makes sense is that in order to determine whether or not all children are learning, it's essential that we measure. It's essential that local folks develop strong accountability systems. So we ask the question, do you know how to read?

And if you do, we'll praise the teachers. And we always have got to praise the teachers. But if our accountability system shows that children are not learning to read, instead of sitting by and saying, "Oh, maybe something positive will happen," it will serve as a go-by; it will serve as an opportunity for us to say, "Let's solve the problems early before it's too late." There are no second-rate children in America, and there are no second-rate dreams. So our budget prioritizes education with the understanding, however, that the schools will be run at the local level.

I set another priority, and that's to pay the men and women who wear our uniform better wages. I am proud to be the Commander in Chief. The mission of the United States military will be to train our troops to be prepared to fight and win war and, therefore, prevent war from happening in the first place.

A priority in the budget is to make sure that people who don't have health care insurance who work have health care insurance. A priority in the budget is to fulfill our promise to the seniors by funding Medicare. I want you to know you can hear all the rhetoric about the apologists for bigger Government in Washington, but with the right priorities and the right focus, we will double the Medicare budget over the next 10 years to make sure our seniors have got a Medicare system that we can be proud of, one that, by the way, includes prescription drugs.

Oh, I know you'll hear a lot of talk about Social Security, and we should talk about Social Security. But under our vision of what we ought to do with the budget, we set aside all \$2.6 trillion of the payroll taxes that are heading into Social Security and spend them only on Social Security.

Now, some of the people in Washington aren't going to like my budget because we don't grow the budget quite as fast as they would like. The budget increased last year by 8 percent. That's significantly higher than the rate of inflation. That was higher than real income grew. I mean, they were growing that budget—it was like a bidding contest to see who could spend the most money got out of town first. Those days must end. The budget I submitted to the Congress is one that said we could meet our needs and grow

our discretionary spending at a realistic and reasonable 4 percent.

There's a lot of talk in Washington about debt, and like you, I'm concerned about debt. I want to remind you there's two types of debt: one is at the Government level; and one is at the individual level. First let me talk about Government debt. With the right kind of leadership and the right kind of focus and working with members of both parties, we can pay down \$2 trillion of national debt over the next decade.

Somebody said, "Well, why don't you pay down more than that." Well, first of all, a lot of the bonds don't retire, aren't to be retired—they don't expire during the 10-year period. It makes absolutely no sense to pre-pay debt which will cost the taxpayers more money. That doesn't make any sense. We ought to pay debt as it comes due. And the only debt that comes due is \$2 trillion over the next 10 years, and that's the debt we'll repay.

We paid down debt; we've met our priorities; there's still money left over. And like any wise, any wise person who cares about budgets, we ought to set some aside for contingencies. So we set aside a trillion dollars over the next 10 years for contingencies. And what might some of those contingencies be?

Well, making sure we take care of the seniors. As you know, one of the things I'm going to do is have a full review of our military's capabilities and how we ought to restructure our forces to meet the future. And perhaps we'll need more money to fund those priorities.

I can assure you, we're going to worry about the agricultural sector here in the United States. And perhaps—and perhaps we'll need to spend some of that contingency money on the ag sector as we transform our agricultural sector to one that is going to be able to trade freely around the world.

Let me say as an aside, I strongly support ethanol. Let me say as an aside, we should not use food as a diplomatic weapon from this point forward. We shouldn't view agriculture as a stepchild when it comes to international trade negotiations.

So we've set priorities. We've paid down \$2 trillion of debt. We've got a trillion dollars of contingency set aside over the next 10

years, and there's still money left over—there's still money left over—and there's a fundamental choice: Do we spend it?

Audience members. No-o-o!

The President. Or do we remember whose money it is in the first place?

The surplus is not the Government's money. The surplus is the people's money, and I'm here to ask you to join me in making that case to any Federal official you can find. I think we're in pretty good shape with the Nebraska delegation. I certainly hope so. I certainly hope so.

But this is a plan that hears the voices of thousands of working Americans, people who are struggling to get ahead. I'm keenly aware the energy bills are going up all across the country. We need an energy policy. We also must have a tax relief policy that understands working Americans are paying higher energy costs than ever before.

I'm keenly aware that many of our citizens have got a lot of consumer debt. There's a lot of talk about debt at the national level, and I'm worried about it. I'm also worried about consumer debt on individual families. I'm aware that this economy is beginning to sputter a little bit, and it makes sense to combine good monetary policy with good fiscal policy. I believe by giving people some of your own money back it will help kick-start this economy so people will be able to find work who's looking for a job.

In case anybody asks you, here's the plan. We're going to drop the bottom rate from 15 percent to 10 percent. We increase the child credit from \$500 to \$1,000. We drop all rates and simplify the code. We drop the top rate from 39.6 to 33 percent, and there's two primary reasons, two reasons I want to share with you. One is there ought to be some principle involved in the Tax Code, and one of the principles is, the Federal Government should take no more than a third of anybody's check.

But there is a second principle. We must understand that there are thousands of unincorporated small businesses in America and thousands of Sub S corporations that pay the highest income tax rate. And in order to stimulate the entrepreneurial spirit of America, in order to encourage capital formation in

small businesses, it makes sense to drop the top rate from 39.6 to 33 percent.

I know the advocates—I can already hear some of the voices of the advocates for big Government, the folks that want to keep your money in Washington to expand the size of the Government. They're going to say, "Oh, this is only for the rich." Well, first of all, we're going to reject class warfare. Secondly, we don't believe in targeting some people in or some people out. We believe everybody who pays taxes ought to get tax relief. Thirdly, ours is a philosophy that says we know Government's role is not to create wealth but to create an environment in which entrepreneurs and small businesses can realize their dreams in America. Fifthly, we understand the marriage penalty is unfair, and we better do something about it. And those of us who have spent some time in the agricultural sector and in the heartland understand how unfair the death penalty is—the death tax is, and we need to get rid of it.

I don't want to get rid of the death penalty—[laughter]—just the death tax.

There is a lot of talk about how this plan, it really isn't going to affect people. Today the Ojedas are with us, Tony and Cynthia, and I want to thank you all for coming. And I appreciate the patience of your children. [Laughter] As you can see, they are proud parents of three children. Right now, last year, they paid \$3,170 in Federal income taxes. Under our plan, a plan that benefits everybody who pays taxes, a plan where the greatest percentage of tax relief goes to the people at the bottom end of the economic ladder, a plan that is eminently fair, a plan that doesn't affect the size of the Federal Government in a negative way, a plan that helps meet priorities—these folks will save \$2,120.

Oh, I know that doesn't sound like a lot of money to folks that are rolling in dough. But \$2,120 means a lot to the Ojeda family. It means a lot when you're paying high energy bills. It means a lot when you are worried about the education of your three children. It means a lot when you want to save. It means a lot when you want to do your duty as a mom and a dad to prepare for your children's future. No, \$2,120 is a significant

amount of money. It's the right thing to do for America.

Now, we've submitted the people's budget to Congress. It's a budget that sets priorities, a budget that pays down debt, a budget that worries about the future, but a budget that keeps in mind the fact that our people are overtaxed. And I am here asking Congress to give you a refund.

Audience members. Refund! Refund!

The President. I want to thank you all for coming out. It is so refreshing to travel the—to travel your streets and to see people come out. I know there is an overflow room here of a thousand people, and I want to thank you all for coming.

I want to tell you there is something bigger, though, than just a legislative agenda at hand. It is truly the greatness of the country. My job is to remind all of us that responsibility begins at home, that the biggest job, if you happen to be fortunate enough to be a mom or a dad, your biggest job is not your day job; your biggest job is your 24-hour job of loving your children with all your heart and all your soul. That's the best thing all of us can do.

The best thing all of us can do in this Nation, whether our job is President or Boy Scout leader or Sunday school teacher or teacher, is to teach our youngsters the difference between right and wrong, is to encourage them to be responsible for the decisions they make in life, is to make sure that every child, regardless of how he or she are born, knows somebody cares for them, somebody loves them.

No, the great strength of this country, the great strength of this country can be found in the heartland of America, where neighbor turns to neighbor and says, "What can I do to help you, neighbor," if you've got a problem, where there are thousands of people saying, "I want to help somebody in need," coming out of our churches and synagogues and mosques.

My job—my job is not only to argue and work to get a legislative agenda passed that will help Americans help themselves. My job is also to remind America how great we are, that we're a blessed nation, a nation indivisible under God, the greatest nation on the face of the Earth.

Together—together we can help this Nation fulfill its greatest promise, where every child realizes the American experience is meant for them, where every child can learn to read, where moms and dads understand the top priority is to love their children.

No, the greatness of this country is ahead of us. We've been great in the past, but the future has never been brighter. And the future has never been brighter—the future has never been brighter because the people of this country have never been greater. It is my honor to be your President.

Thank you for coming, and God bless.

NOTE: The President spoke at 1:46 p.m. in Mancuso Hall at the Omaha Civic Center. In his remarks, he referred to Mayor Hal J. Daub of Omaha; Gov. Mike Johanns and Lt. Gov. Dave Maurstad of Nebraska; and Governor Johanns' wife, Stephanie.

Exchange With Reporters in Council Bluffs, Iowa

February 28, 2001

Seattle Earthquake

Q. Mr. President, any reaction to the earthquake news?

The President. I talked to the FEMA Director. He is on top of it. He is gathering all the information. He is in touch with the officials in the State of Washington. I think the Governor is on an airplane now, but as soon as he lands, we'll be in touch. Then we will assess whatever damage, and we will provide whatever resources are necessary to help the people.

Q. When were you told?

The President. I was told in Omaha.

Q. Do you have a message for the people of Washington?

The President. Well, God bless, obviously. Anything we can do to help, we will do so.

Q. Can you talk about your contingency plan as part of your budget outline and how this—

The President. Well, we've got money set aside for emergencies such as these.

NOTE: The exchange began at approximately 2:35 p.m. at the Old Carnegie Library. In his remarks,

the President referred to Gov. Gary Locke of Washington. A tape was not available for verification of the content of this exchange.

Remarks at a Leadership Forum in Council Bluffs

February 28, 2001

The President. Well, thank you, Bill, very much. I want to thank our panelists. It's kind of family day here. [*Laughter*] Speaker, it's good to see you, sir. I've enjoyed campaigning with you here. I've spent a lot of quality time here in the great State of Iowa, and I'm glad to be back.

I will say one thing as an aside, that I never met a more kind group of people than the good people of Iowa. Even if they weren't for you, they were kind. But I really—I have fond memories of traveling to your great State, and I want to thank the good citizens of Council Bluffs for welcoming me back here again.

Let me talk a little bit about the budget. Because in order to get a budget passed, the President must count on the people. My speech last night was really not to Members of the House and the Senate; my speech last night was to the people of America. It was a great opportunity for me to go around, or through the process, however you want to look at it, and go directly to people who had an interest in their Government.

Before I begin, though, I'm also mindful that I'll get nothing done unless I get something through the House and the Senate. And we've got three House Members traveling with us today, people who I respect a lot: one, your current Congressman Greg Ganske, Tom Latham, and Jim Leach. They all flew down.

They flew down and reminded me the entire way down how important the issues are to Iowa, issues like ethanol—[*laughter*]—I said it—when I told them on the way down, when I said I support ethanol, I meant it. I supported it in the caucuses; I supported it in the general election; and I support the use of ethanol as the President of the United States. Now that we've gotten the ethanol issue straight, let me talk about the budget.

There's a lot of myths about the budget. One myth is, you can't have tax relief because

somebody's not going to get their Social Security check, or you can't have tax relief because we'll never pay down debt. The facts are that if we have a fiscally sound approach to spending your money, we can meet priorities; we can pay down debt; we can set aside contingency funds for the unknown; and we can have tax relief. Those are the facts.

It starts with slowing down the rate of discretionary spending. In our budget, there are entitlement programs that are going to trigger spending, whether or not we—the Congress has no say, because people are entitled to money, they'll get the money.

Social Security, for example, it set aside all the payroll tax for Social Security. Medicare is taken care of in the budget. We double the Medicare budget over the next 10 years. Discretionary spending like education, it will go up under my plans. And it's right, it does go up. I'm glad to know there's a groundswell for support. [*Laughter*]

I want to tell you, though, even though I have a Washington address, I strongly believe in local control of schools. Of all States that understands local control of schools, Iowa is such a State. I believe we ought to pay our folks who wear the uniform in the military more money, and my budget does that. We've set aside priorities.

But instead of increasing the rate of growth in the budget, discretionary part of the budget, like they did in the last Congress, we slow it down to 4 percent, a rate greater than the rate of inflation, however. And as a result of being fiscally sound with money, it is amazing what we can do beyond just spending.

We can pay down \$2 trillion of debt over the next 10 years. My budget does so; I'm confident the Congress will support me to do so. People say, "Why don't you pay down more?" Because that's all the debt that's available to pay down in a 10-year period of time unless you want to prepay debt, which will cost taxpayers money. That's the debt that becomes due in a 10-year period of time. And so we set aside money for discretionary spending and priorities. We save and strengthen Social Security. We've got money for Medicare. We pay down debt, and we set aside \$1 trillion over 10 years for contingencies.

People say, "What do you mean by that?" Well, there's emergencies. Right now, for example, there is an earthquake in the State of Washington that may require emergency spending, and let us hope that it doesn't create much damage nor take anybody's life. But it's a serious earthquake. I just called the FEMA Director to stay in touch with the emergency office to make sure that we're on top of it, and we are.

The agricultural sector may need emergency spending or contingency spending. As we transition to a free market world, there are some transition costs, costs that we've been paying in the past. We may have to pay it again this year. As we reconfigure our military, we may require more spending.

Medicare may require more spending to make sure it fully works properly. But there's a contingency of a trillion dollars set aside. And there's still money left over. That's the thing a lot of the proponents for big Government don't want you to hear—that if we're wise and pay down debt and have a contingency, there's still money.

And the big debate is going to be what to do with it. I believe that once we set priorities and fund them, we ought to remember who pays the bills in the first place. This surplus is not the Government's money. It's not, we're going to spend money as if it's the Government's money—it's the people's money. And I believe we ought to listen to the people of America and share that money with the people who pay the bills.

And there's compelling reasons to do so at this point in our history. One, energy bills are high, and it's beginning to affect the pocketbooks of a lot of working people. Two, there's a lot of talk about national debt, and that's fine, but there's a lot of consumer debt in America. And we've got to worry about people being able to handle their own consumer debt. The energy crisis, coupled with consumer debt, may make it hard for a lot of the working people to meet their needs. And I'm worried about that.

I'm worried about Government debt. But I think it makes sense to worry about the debt on the people of America, as well. I'm worried about the fact that our economy is sputtering. Today, evidently, Alan Greenspan testified that the warning clouds on the hori-

zon are getting darker and darker. I think what we need to have is good monetary policy coupled with good fiscal policy in order to make sure we recover. And part of good fiscal policy says, let's give people money back so they can spend it. They can manage their own budgets to help kick-start the economy.

So there's a compelling reason for tax relief at this point in our Nation's history. Not only can we afford it, it makes good policy sense to do so.

And finally, it gives us a chance to reform the Tax Code. The death tax is unfair. It's unfair to farmers; it is unfair to small-business people; it's unfair to people of accumulated assets, and we ought to eliminate the death tax.

The marriage penalty is unfair—the marriage penalty is unfair. I think we ought to reduce all rates. There's a lot of talk in Washington, "Well, we will decide who gets tax relief"—it's called targeted tax cuts. My view is, Government ought not to try to target anybody in or target anybody out. The only fair thing to do is, to say if you pay taxes, you get relief.

We dropped the bottom rate from 15 percent to 10 percent, which makes the code more fair, particularly when you couple it with the fact that we're going to double the child credit from \$500 to \$1,000. It makes it easier for people who work hard to access the middle class. And that's important. The Tax Code should not penalize hard work. It ought to reward hard work, particularly for people who are struggling to get ahead.

It also drops the top rate from 39.6 to 33 percent, which ignites the great outcry of class warfare. One of the things I've worked hard to do is to try to change the tone in Washington, to change an attitude that tends to pit groups of people against each other. That's not the way to have a debate. The truth of the matter is, by dropping the top rate from 39.6 percent to 33 percent, we understand this fact: The role of Government is not to create wealth but an environment in which the entrepreneur or the small-business person can flourish.

Many small-business people are unincorporated. Many small-business people are

Subchapter S type corporations and, therefore, pay the higher rate. And by dropping the top rate from 39 percent to 33 percent, we provide an environment for capital accumulation, particularly in the small-business sector of the United States. It makes sense.

And so, given the opportunity to make a case for the tax relief plan, as you can see, I'm going to grab it at every possible moment. It is important for me to travel the country, which I'm going to do, and make the case. I made it last night in the Congress. I'm going to make the case all across America. I did so today in Nebraska and Pennsylvania. I'm obviously doing so here in Iowa. I'm off to Arkansas after this, and then I'll be in Georgia tomorrow, because—and the reason I'm doing so is because this is the people's business. It's the people's business.

And if you are interested in helping effect change, then e-mail your Senators and Congressmen. [Laughter] I'm sure Ganske doesn't need to hear from me. I'm positive he'll be with me all the way. [Laughter] But just in case—and so I'm not talking about you, Congressman Ganske, but somebody might get a little nervous out there—[laughter]—because they're listening too much to the people who want to grow the Federal Government.

And therefore, if you agree, and I hope you do, I would like your help. So Bill, thank you very much for giving me a chance to come and make my case to the good folks of Council Bluffs, and I would be glad to hear from you.

[At this point, moderator Bill Ballenger began the forum.]

Jeff Ballenger. Mr. President, there also seems to be a public perception that the tax cuts that we're leaning towards will just benefit the wealthy. And this is a big-time, as you would say, serious misperception. [Laughter]

The President. It was actually my Vice President who said that. [Laughter]

Mr. Ballenger. Okay. My apologies.

The President. I said something worse. [Laughter]

Mr. Ballenger. Well, I'm sure this is one that you and the staff will have to work on to overcome, based on some of the pundits,

what they're saying. But from a third-generation businessman who would like to continue on the family legacy, I would like to say—I would like to express my support for you with your debt reduction, your elimination of the death tax, and also your reduction of income tax.

The President. Well, I appreciate you saying that. I think that the class warfare debate has kind of worn itself out. I believe that. I think the American people are going to reject that debate, pitting so-called rich against poor. I hope so. We can have a much more constructive debate without trying to pit groups of people against each other. And so I hope that the dialog won't be—the truth of the matter is, the debate is bigger Government versus smaller Government, efficient Government versus big Government.

I want to tell you all something as people who have to run budgets in your business. At the end of the last session, there was over 5,000 one-time expenditures in the budget. It was like a bidding contest to see how you get out of town. The more money was spent, the earlier you got to leave, it seemed like. And it's going to require a different mentality to say, let's set priorities.

Small-business people, any type of businessperson understands the need to set priorities. And let's fund the priorities. And I know there's a lot of politics in the budget sometimes, but it's going to be important to me to keep the politics out of it and insert the people. And we're going to get it done, too, by the way.

Moderator. Donna, would you be willing to kind of enter into this discussion?

Donna Grote. Mr. President, approximately 14 years ago I had the privilege of having lunch with your mother when she was here in Council Bluffs.

The President. You had lunch with the A-team. [Laughter]

Ms. Grote. I very much admired her, and she was largely responsible for my votes for your father and for you.

[The forum continued.]

Ms. Grote. Mr. President, I have had a lot of children and grandchildren go through my house, and I know that if there are cookies left on the table, they will be eaten.

[*Laughter*] If we leave any extra money in Washington, don't you think it will be spent? [*Laughter*]

The President. That's right. I appreciate that. I think I might start using that. [*Laughter*] Thank you very much.

[*The forum continued.*]

The President. Let me—a couple of points. One, the surest way to frighten people in any kind of budget debate is to say you're not going to get your Social Security check. Sometimes, that happens to creep into the language of a political campaign, if you know what I mean. [*Laughter*] The facts are that both Republicans and Democrats agree that we're not going to touch the Social Security money for anything other than Social Security.

Now, as I mentioned last night, a very important part of the Social Security dialog is to be to figure out how to make sure it works in the future. People who have retired or near retirement are going to be in fine shape in the Social Security system. There's a lot of money in the Social Security Trust. The fundamental question is, what happens to younger workers, younger workers who have to pay enough in the system to take care of baby boomers like me and you?

And one of the things I proposed last night was to put a commission together to study alternatives. And one of the alternatives has got to be to allow younger workers, at their choice—at their choice—to take some of their own money through the payroll taxes and put it into safe investment vehicles that will earn a better rate of return than the current paltry 2 percent that the Social Security system earns today.

So I appreciate so very much your concern about making sure your mom and dad have got a safe retirement system. The fundamental question, however, is not your mom and dad; it is your sons and daughters, whether or not there will be a system available for them.

In terms of Medicare, that is a legitimate question for your mom and dad, and it's one that I ask, as well. And we double the Medicare budget over a 10-year period of time. But—or, and—we better make sure the sys-

tem is responsive to the needs of Medicare recipients.

The old system, the system was designed for an old way of medicine, where people—where prescription drugs, for example, wasn't that important a part of the medical profession. Prescription drugs were around, but they weren't the—didn't replace health care given by doctors, for example. Prescription drugs are an incredibly important part of satisfying seniors' needs today.

But the system hasn't changed, and therefore, what we need to do is modernize the system. And by that, I mean we've got to give seniors a variety of options from which to choose, all of which include prescription drugs.

And that's going to be an important part of the Medicare debate. So it's one thing to make sure there's money in the budget to take care of Medicare. The other question, though, is, are we going to have the will necessary to change the system to take care of seniors? And the fundamental choice is going to be, do we trust seniors to make decisions for themselves? Do we trust them to be able to go into the marketplace, if they so choose, and pick out a plan that meets their needs?

So those are two incredibly important debates. The opponents of any tax relief—responsible tax relief—are going to argue that somebody is going to suffer—a Medicare recipient will suffer, a Social Security recipient will suffer. It's just not the case.

And that's why I'm going to continue traveling the country making sure everybody hears that. And I appreciate you all giving me a chance to do so today.

[*The forum continued.*]

The President. Thank you all for coming. I look forward to thanking you in person.

NOTE: The President spoke at 4:04 p.m. at the Old Carnegie Library. In his remarks, he referred to Speaker of the House Brent Siegrist, Iowa General Assembly. Participants included moderator Ballenger's son, Jeff Ballenger, local automotive dealer, and Donna Grote, homemaker and small-business owner.

Remarks on the Earthquake in Washington State in Little Rock, Arkansas

February 28, 2001

I want to say something about what's taken place in Seattle today. I send my prayers and express our country's concern for our fellow citizens in Seattle, Tacoma, and Olympia—areas of the State of Washington. Those folks were affected by a major earthquake today. Our prayers are with those who were injured and their families, and with the many thousands of people whose lives have been disrupted.

Thousands of people in Washington are without power or phone service. Airports are closed, and many buildings have sustained structural damage. My administration stands ready to help in any way we can. I've asked the Director of the Federal Emergency Management Agency, Joe Allbaugh, to travel to Seattle to offer our assistance. He is on his way in a couple of hours, and he'll be traveling with members of the—Washington State's congressional delegation.

I've talked to Director Allbaugh. He told me he felt like Senator Murray would be going. And they're reaching out to other members of the congressional delegation to travel with him. We will work with State and local officials to provide whatever help we can to the people of the State of Washington.

NOTE: The President spoke at 5:20 p.m. at Adams Field airport.

Proclamation 7410—Fortieth Anniversary of the Peace Corps

February 28, 2001

By the President of the United States of America

A Proclamation

The generous spirit of the American people has given this country a great and long-standing tradition of voluntary service. During the past four decades, the members of the Peace Corps have carried on that tradition with dramatic and far-reaching effect.

Established in 1961, the Peace Corps has brought a wealth of practical assistance to in-

dividuals and communities through out the world. Since its inception, more than 161,000 Americans have served as Peace Corps volunteers in 134 countries. Peace Corps volunteers have not only helped to fill immediate and dire human needs, but also have helped promote sustainable, long-term development in agriculture, business, education, urban development, health care, and the environment.

In many countries of the world, there exists an intense hunger for peace, hope, and opportunity—for genuine social and economic development that is rooted in respect for human rights and a belief in human potential. Recognizing the dignity and worth of all peoples and determined to help individuals help themselves, Peace Corps volunteers have served as our Nation's emissaries of hope and goodwill. Accordingly, their generous efforts have helped to foster mutual understanding and respect between the people of the United States and citizens of other countries.

Respected for its work around the world, the Peace Corps also conducts a number of valuable programs here at home. For example, through programs such as the Paul Coverdell World Wise Schools and Peace Corps Fellows/USA, Peace Corps volunteers are helping children in every State of our Nation to learn more about the world in which we live.

I am pleased to note that the current volunteer corps is the most ethnically diverse in Peace Corps history and that more and more Americans are joining in the work of the Peace Corps through its growing partnerships with the public and private sectors. These trends are a tribute to the many past achievements of the Peace Corps, and they are a promising sign of more to come.

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 urge all Americans to observe March 1, 2001—the 40th anniversary of the Peace Corps—with appropriate programs, ceremonies, and activities designed to honor Peace Corps volunteers, past and present, for their many contributions to our

country and to the universal cause of peace and human progress.

In Witness Whereof, I have hereunto set my hand this twenty-eighth day of February, 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, 11:47 a.m., March 5, 2001]

NOTE: This proclamation will be published in the *Federal Register* on March 6.

Question-and-Answer Session at Lakewood Elementary School in North Little Rock, Arkansas

March 1, 2001

The President. Anybody got any questions for me?

President's Goals

Student. When our kids grow up and read about your Presidency in history books, what do you hope they'll read?

The President. Well, I hope they read that our country, our politicians are able to discuss differences in a civil way; that there's not a lot of anger in the political process; that you and I might disagree, but we can respect each other when we disagree. So I hope I've been able to help change the tone in Washington so people respect each other. I hope the reading test scores are the best in the world. I hope the world is at peace. I hope that boys and girls who dreamed about owning their own business will be able to do so in America, continue to do so. I hope that our Nation is one in which people who have dreams—regardless of where you're raised, whether you can speak English, whether your parents speak English as a first language or not, no matter what neighborhood you're from—will realize those dreams are possible if you make the right choices in life. So that's my ambitions for the country.

Decision To Run for President

Student. What made you run for President?

The President. Well, I thought I could do a better job than anybody else that was running for President. I was concerned about a country that was becoming too bitter at times. I'm concerned that the American Dream, the idea that you can be—have a dream and work hard to achieve it might not have—is bright for everybody in America, as I hoped. I'm worried that the education system in some places isn't working, concerned about a military that—the morale in the military wasn't high enough. I think we need to have a strong military to keep the peace. So I had some reasons for running, and now I'm working to achieve them.

One of the reasons I've come to your school is to be able to talk about education. I'm also talking about a budget plan. One of the things a President does is submit a budget to Congress—"here's where we ought to spend money, here's where we ought to"—and if you have any money left over, I'm arguing we ought to give it back to the people who pay taxes, like the teacher right here.

Now, one other thing my wife is going to do, by the way, is she's going to go around the country encouraging people such as yourself to think about being a teacher when you get older. There's nothing more important than being a teacher. So as you start to think about your ambitions and your possible careers when you get out of college, think about being a teacher. It's a very important profession.

The White House

Student. What is it like being President and living in the White House?

The President. It's a big honor. It's a big honor, as I'm sure you can imagine. It's a very exciting job. The White House is a majestic place. It's like a museum in many ways, and we're, of course, now turning parts of the White House into our home. And Laura and I are the proud parents of 19-year-old twin daughters, but they go to college so we don't see much of them anymore. But we do have two dogs and a cat living with us.

And so all five of us are adjusting to our new home. But it's an honor.

And I hope some day you'll come up to Washington and tour the White House, and you'll get to see where we live. It's a big honor.

Sam Houston Elementary School

Student. What school did you go to when you were our age?

The President. Sam Houston Elementary School in Midland, Texas. I was raised—you know where Texas is, of course. Most people in Arkansas know where Texas is, and all the people in Texas know where Arkansas is. Anyway, it's the State right south of here. But I lived in the western part of the State. Many people in Arkansas have got kinfolks generally in east Texas, and I lived out in west Texas, that's where I lived. And so I went to a place called Sam Houston Elementary School.

And I had no idea when I was your age that I would run for President of the United States. I, frankly, thought that what I wanted to be at the time is, I wanted to be a baseball player just like a guy named Willie Mays. He was my favorite player growing up. Then I realized I wasn't a very good hitter, so I wasn't going to be like Willie Mays.

Thank you.

NOTE: The President spoke at 8:58 a.m. in classroom 15. A tape was not available for verification of the content of these remarks.

Remarks at a Leadership Forum in North Little Rock

March 1, 2001

The President. Well, thank you very much, Kaye. First, a good school depends upon the leadership of a good principal, and it didn't take me long to recognize, one, this is a good school, and two, Kaye Lowe is a good principal.

I want to thank our panelists for coming. It's—I really love going to schools and see the enthusiasm of the teachers and the bright eyes of the students. That certainly was the case here today. Before I begin, I want to thank the leadership of the State of Arkansas for coming, two fine United States Senators:

Senator Hutchinson and Senator Lincoln. I want to thank Vic Snyder for being here, as well.

Governor, I've got a message for you. And Lieutenant Governor, you requested that the FEMA look at the ability—possibility of the Government funding 100 percent of the costs of the debris cleanup here, as a result of those ice storms that hit Arkansas. Today, sir, I've got a letter for you—funding to provide 100 percent funding from the Federal Government for the State of Arkansas.

I've got also a—well, a very positive budget message, too, for the people of Arkansas. First, it starts with setting priorities. I want to spend a little time, and then I promise to let other people talk. But it's important for America to hear that the budget I submitted is one that is a realistic and reasonable budget, one that sets priorities.

One thing that our governments must do is set priorities. Without priorities, there is haphazard spending. The job of a President is to set clear priorities. A priority of mine is public education. It was a priority of mine as the government of the State of Texas. It is a priority of mine as the President. I understand, however, that even though it is a priority, that does not mean Washington, DC, should run public schools. And so I look forward to working with Members of the Congress to pass power out of Washington to provide flexibility so local jurisdictions can help design the strategies necessary to make sure that every child in America gets educated.

Secondly, we are spending more money, and that's important. However, there needs to be a results-oriented approach to the expenditure of money, whether it be Federal money, State money, or local money. The cornerstone for reform, the whole concept of making sure no child gets left behind, rests upon strong accountability systems.

One reason we came to this school is because this is a school that's not afraid to measure. It's a school, by the way, that not only measures but does not view a measurement system as a way to punish somebody. They view a measurement system as a way to diagnose problems early and correct them early, so that no child is left behind.

And so we'll have a wide-ranging discussion here about education. And it's an important discussion to have. But I want to put it in the context of an overall budget.

Part of the priorities of a budget is to make sure we can keep the peace. So I have prioritized paying our soldiers more money in order to boost morale. I have prioritized setting aside all the money designed for Social Security to only be spent on Social Security. I'm confident that both Republicans and Democrats will hear that cry, that the days of using Social Security monies to pay other programs has ended.

The Medicare budget doubles. And that's important, but we also have got to have Medicare reform so that seniors have got options from which to choose. All options will include prescription drugs. So the budget sets priorities. Medicare is a priority. Social Security is a priority. Education is a priority. The defense of our people are priorities. Everybody else is going to have different priorities, trust me. I heard some last night from the able Senator. But that's how the system works. My job is to set clear priorities, and I have done so.

A second priority is to pay down debt. There's a lot of discussion about debt at the national level, and we ought to pay down debt. This budget pays down \$2 trillion of debt. Now people say, "Why don't you pay down more?" Well, it doesn't make any sense to pay off bonds before they retire, before they come due. It's a reasonable approach; it makes eminent sense to do it this way.

We also have got money set aside for contingencies. There's a trillion dollars over 10 years for contingencies. That's a smart thing to do, and we've done that. A contingency—somebody says, "What do you mean by contingencies?" Well, emergencies are contingencies. We may have another bad situation for our agricultural sector, in which case we need contingency money. And so there's a trillion set aside for contingencies.

And so we've set priorities. And we'll argue about whether or not the priorities are the right priorities. Some of them are going to say up there, "Well, you know, he didn't put enough in for education," or "He didn't put enough in for the military, didn't put enough in for here or there." Those are sometimes—

are the people who aren't responsible for viewing the budget in it's entirety. And that's okay. Everybody's entitled to an opinion. And there's a lot of them in Washington.

But I just want to assure you that the budget I submit, it sets priorities, pays down debt, has a contingency fund, and there is still money left over. And I'm going to argue vociferously, any time anybody will listen, that at this point in our Nation's history, the wise thing to do with that money is to remember who paid it in the first place, and let the payers keep the money.

I believe that tax relief ought to go to everybody who pays taxes. I don't like the idea of the Federal Government saying, "Well, we're going to pick and choose who the winners are. You're targeted in, and you're targeted out." To me that is not fair, and that's not the right way to approach tax relief. If you pay taxes, you ought to get relief. I do agree with the critics who believe that the people at the bottom end of the economic ladder ought to get the highest percentage of relief. And my plan does that. It cuts all taxes for everybody.

We drop all rates, including the bottom rate from 15 percent to 10 percent and increase the child credit from \$500 to \$1,000 per child. We lessen the harsh effects of the marriage penalty, and we eliminate the death tax. That's the basic plan. Stephen Benson is here, a parent of two and proud husband of Shelia, for a reason, because he's a taxpayer. He pays \$4,620 in Federal income taxes. Under this plan, in which everybody who pays taxes will get relief, he saves \$1,710. That's above the national average for a family of four, which is \$1,600.

Now you will hear people say, "Well, that's not much money." Well, that's a lot of money if you're paying higher energy bills, and folks who work across America are paying higher energy bills. It's a lot of money if you've got consumer debt. And there's a lot of discussion about national debt, and there should be. And as I mentioned, we're doing the best we can to pay \$2 trillion of national debt.

But Washington, DC, folks need to understand, there's a lot of people who have got consumer debt, as well. And the idea of substantial tax relief after we meet priorities will help people like the Bensons manage their

own debt. It's one thing to be focused on the national balance sheet. The President and the Congress need to pay attention to the people's individual balance sheets, and that's exactly what this tax relief plan does.

So I appreciate so very much the opportunity to not only make the case for—education reform. And this school gets it. And evidently you get it, too, Governor, because the idea of insisting upon accountability as the cornerstone for reform makes eminent sense. We'll argue about the remedies for failure, we'll argue about what the consequences for failure are, but the truth of the matter is, the whole reform system begins by measuring, by holding people accountable, by holding up success so that we know whether or not the reading curriculum that has been put in place here works. The principal assures me it does. And the reason she's able to say so with certainty is because you measure. And therefore, another school that may have trouble cheating—treating their children how to read will be able to say, "Well, let's see how they do it here." We can prove that it works.

And so thanks for giving me a chance to come and also talk about the budget. It's going to be on people's minds for a while, until it gets passed. I will assure you, I'm going to try and keep it on people's minds. [At this point, the forum began.]

The President. I appreciate that. There's a woman—a reading czarina in Houston, named Phyllis Hunter. She said one of the most profound thoughts of anybody in recent history, I think. She said, "Reading is the new civil right." That's a pretty powerful statement. And it sounds like you all are right on track here. I want to thank you very much for what you're doing.

I also want a—another piece of public policy I'm going to work with the Congress on is to make sure that Head Start is—incorporates a reading curriculum that will do precisely what you said. It will teach—give children the necessary tools to become good readers when they make it into K or first grade.

Thank you very much for what you're doing here.

[The forum continued.]

Raymond Simon. Mr. President, one thing that I worry about on your program is the fact that it's based on common sense. [Laughter] So I think you're in for a hard road.

The President. You may be right. [Laughter]

Mr. Simon. But that having been said, the commonsense approach, we believe, mirrors exactly what we're about in Arkansas, flexibility at the local level. We've insisted in our State, through an initiative called Smart Start, which you may have heard of—

The President. I have heard of that.

Mr. Simon. Our K-four initiative and Smart Step that we've advanced in the fifth through the eighth grade, we've made standards and accountability non-negotiable. But we have made negotiable how the schools get there.

Your program does exactly that. I credit you, and I applaud you for your interest in parents and strengthening the family, in character education. Our teachers oftentimes feel unsupported at that level, and your programs are going to help them get that support they need.

The President. Thank you.

Mr. Simon. We do believe that flexibility in spending is almost as important as more money. Certainly, we can use additional funds, but more important to us is flexibility. We've been able to do much with Smart Start in our State, not with huge amounts of money but with refocusing on what's important.

The President. You bet. Well, I appreciate that. I want you all to know that when we talk about accountability in Washington, at least when I do, the Federal Government will not design and administer a national test. The people of Arkansas are plenty capable about designing your own test and your own accountability system.

We'll hear the debates, and I can already hear them already, starting on the floor of the House and the Senate about how Washington, DC, insisting that schools measure in return for money will mean that it's going to undermine local control of schools. As they say in Arkansas, that is hogwash. [Laughter] That's not reality—that's not reality. It's just

like saying, “Accountability systems are racist.” What’s racist is not to have an accountability system, because what generally happens is, inner-city kids just get moved through. It’s so much easier to quit on a child, so much easier.

And what an accountability system do, designed at the local level, they say, “We’re not going to leave any child behind, because we’re going to measure early. And when we find failure, we’re going to do something about it. We’re not going to accept failure in American schools.” And so thank you very much for your comments. And guess what, common sense will prevail. [*Laughter*]

Principal Kaye Lowe. Mr. Benson, we’d like to hear from you as a parent.

Stephen Benson. Well, I was really excited about the tax cut.

The President. Say that again, Mr. Benson, as loud as you can. [*Laughter*]

Mr. Benson. Well, that money that I save—my priority is education for my children. I was going to put that money toward education, but I could put it towards something else because I know here at Lakewood Elementary, Ms. Lowe and her staff are doing great things to make sure my son has a quality education. And with the spending that you are proposing for the school, I’m just excited to see what Ms. Lowe and her staff has in store for my son for a quality education.

And as far as testing and standards, I have to agree with you wholeheartedly on that. My daughter and I have a conference once a week to measure her standard at her school in North Little Rock High School.

The President. Oh really? I was there.

Mr. Benson. So we emphasize standards, making sure we stay on the right level in our household.

The President. Well, that’s great.

Mr. Benson. I’m really excited about all that you’re doing.

The President. Thank you, sir. One thing about measuring—what you said just triggered me. You have meetings with the school officials, based upon accountability. It is so important for us to not only measure but, to use a fancy word, disaggregate results, so that we’re able to begin to individualize the systems around the country.

And that’s going to be an incredibly important component of the reform, that we say each child matters, and therefore, the accountability systems must reflect the performance of each child, not kind of groups, collections of children. And the systems will then begin to emerge, to individualize education.

Today we went to a computer lab, where the reading programs were constantly adjusting based upon the skill level of the participant on the computer. It’s the forerunner of the individualization of education, the likes of which a lot of us have not imagined here before. It begins with an accountability system that measures on a per-child basis, so when we get up to Washington, we cannot let the whole concept of accountability be undermined by not—by a system that does not measure on an individual child basis. And that’s exactly what I’m going to insist happens.

[*The forum continued.*]

The President. You know, there’s a lot of debate about English as a second language programs. And my attitude—obviously in the State of Texas we have a lot of people whose parents don’t speak English as a first language. And my attitude was this. First of all, in our Nation, we must support what’s called English Plus. English is the language of the country, plus we respect other languages. Secondly, that the best way to determine whether bilingual programs or English second language programs are working, is to measure.

There’s a huge debate about immersion versus programs as *Puentes para Ingles*—Bridges to English. And the best way to determine what works is to say, “Here is the goal,” which is English proficiency. And let’s measure the systems that work. That helps take the politics out of the debate about teaching children English. The goal is English. That’s how people are going to get ahead in America, and the best way to approach the subject is to say, “Let’s measure.” Let’s be rational about how we approach these programs. And I appreciate you’re—where were you raised in Texas?

Teacher Maria Touchstone. I was raised in Galena Park, right outside of Houston.

The President. Yes, the Fighting Yellow Jackets.

Ms. Touchstone. Yes. [*Laughter*]

[*The forum continued.*]

The President. Well, I appreciate that. The superintendent's right, that the reading initiative ought to help and make sure kids get to the appropriate level early in their careers. I will urge Congress to provide flexibility to States to be able to use some of the prescriptive Federal dollars to apply to IDEA, if that's what the State chooses to do.

There's \$1.6 billion of so-called construction money, the rules of which have not been written. I think one of the things that would make sense is to increase the amount of that money from 25 percent to 100 percent, to allow the States to use the IDEA—that money for IDEA, if that is what's best in the interest of the budget of the State.

I know the Congress sometimes doesn't like to provide flexibility for folks at the State level. But here is a good way—now, it's going to be hard to achieve huge funding for IDEA. But I—and one way to do so is to take some of the prescriptive programs and allow flexibility at the State level. And I'm going to work with Congress, hopefully that they'll see the wisdom of that way, and hear—and by the way, the more money that goes into IDEA, the more local property tax money is freed up to meet specific construction needs, if need be.

And so I think one of the ways to try to get the number up toward the 40 percent that was promised by the Federal Government years ago, is to be—is to have a commonsense approach, Raymond, and to give flexibility—well, I appreciate that, Jim. The reading program will help. It will help make sure the children get a good start on their education early. And so will the Head Start Program, and the Head Start initiative.

Principal Lowe. Mr. President, I'm sad to say that we're out of time. But again, I want to thank you so much for coming to Lakewood Elementary, and discussing—

The President. It's a huge honor to be here. Thank you all for being here.

NOTE: The President spoke at 9:40 a.m. in the cafetorium at Lakewood Elementary School. In his remarks, he referred to Representative Vic Snyder; Gov. Mike Huckabee and Lt. Gov. Winthrop Rockefeller of Arkansas; and James Smith, school superintendent, North Little Rock School District. The President also referred to IDEA, the Individuals with Disabilities Education Act. A tape was not available for verification of the content of these remarks.

Remarks at Fernbank Museum of Natural History in Atlanta, Georgia

March 1, 2001

The President. Thank you very much. I'm glad I came to Georgia.

Thanks so much for that warm welcome, Vernon. It's great to be here in DeKalb County. It is great to be introduced by one of the rising stars in DeKalb County, one of the rising stars in the State of Georgia. Vernon Jones is a good man—he's a good man. And I'm proud—I'm proud to have been introduced by him.

I'm also proud to share the stage with both Republican and Democrat elected officials here from Georgia, who are sending an interesting message—an interesting message, when the Georgia State Senate voted overwhelmingly to urge all the Federal elected officials from the State of Georgia to support the tax relief package that I introduced yesterday.

I'm honored that Senators Starr, Dean, and Johnson would be here with me today. Both Republicans and Democrats took a look at what I proposed and realized it's fair. And I'm honored that members of the General Assembly, Westmoreland and Buck, have joined as well, one Republican and one Democrat.

See, this is not a—the budget I submitted wasn't a Republican budget; it wasn't a Democrat budget; it was the people's budget. Maybe one reason why the good folks of Georgia understand that it's a reasonable budget is because it's a common—it's a budget based on good, sound common sense. There are not a lot of things fancy about it. Maybe it's because I was raised in west Texas, and I was taught some good common sense.

I'm so proud of members of the Georgia delegation who are here, from the Federal delegation: Kingston, Deal, and Norwood, Members of the United States Congress. One member of your delegation wasn't able to be here, but I would like to read a letter from him, if you don't mind:

Dear Mr. President,

Welcome back to Georgia. I regret that I could not be with you today. I had to be in Washington for a meeting with the Department of Justice officials that was scheduled long ago, but I wanted you and my fellow Georgians to know that I am with you in spirit. I support your Tax Code proposal strongly, without any reservations. This is an overpayment of taxes, and you are correct that those who paid it know better how to spend it than the Congress. As the old Elvis Presley song goes, we should "Return to Sender."

Zell Miller

I can't tell you how much I appreciate Senator Zell Miller standing up side by side with the President. Oh, I know he's a Democrat, and of course, I'm a Republican, but both of us put America first. And this budget is an American budget, because it sets priorities. It is a budget that sets important priorities, starting with the education of our children.

The largest increase of any Department in my budget goes to the Department of Education. But lest you become too concerned, I want you to hear, loud and clear, the best schools are those that are run by the local people. We strongly believe in local control of schools.

We will spend more money, but we will also insist upon reform. And the catalyst for reform, the agent for change, is to insist that States and local jurisdictions develop strong accountability systems so that we know—we know—when children are learning. If you don't measure, how do you know? If you don't measure, how can you correct problems early, before it's too late? The cornerstone of reform is local control of schools and strong accountability systems at the local level, so we can diagnose problems early, solve them early so that not one single child in America is ever left behind.

Another priority in my budget is to pay the men and women who wear the uniform more money. It is to make sure there is a high morale in the military by having better pay, better housing. But also it's important to have a Commander in Chief who will clarify the mission of the military. And the mission is to be well-prepared to fight and win war, and therefore, prevent war from happening in the first place.

A priority in the budget—a priority in the budget is to take all the payroll taxes that are supposed to go to Social Security and make sure they only go to Social Security. Oh, I know you've heard the talk—I certainly have heard it—about how any kind of tax relief that has got any meaning to it will mean somebody is not going to get their Social Security check. That's Washington talk for "We want more of your money to stay in Washington." That's what that is. Republicans and Democrats agree that we're going to set aside all the payroll taxes for Social Security, and that's what's going to happen.

Another line you'll hear is that the elderly will suffer. Well, my budget doubles Medicare spending over 10 years. We're setting aside money to make sure we fulfill the promise to the elderly. And we've got to not only set aside money for Medicare, we must reform the system so that our seniors have got more choices, more options, all of which will include prescription drug benefits.

No, we set aside money for priorities, and we fund them. The thing that's got some people concerned, though, is we're not exploding the budget like has happened in the past. The budget was skyrocketing at the end of last year. It was much higher than the rate of inflation and higher than disposable income. Had we kept spending at that rate, we would have not only spent all the surplus, we would have had to have dipped into Social Security to meet the programs.

What this Government needs is a fiscal, responsible approach to the budgeting, the kind of budgeting that you, yourselves, do with your families. That's what the Government needs, and I'm willing to provide that kind of leadership.

So we meet priorities. We make sure Social Security is safe and secure, and we also pay down debt.

There's a lot of discussion about debt at the national level, and there should be. So part of the budget that I've sent to the Congress sets aside \$2 trillion to pay down debt over the next 10 years. People say, "Why don't you pay it all off, all the national debt off?" Well, that doesn't make any sense, because not all the debt retires—comes due at the end of 10 years. We shouldn't prepay debt at a premium that will cost the taxpayers more money. Let's just retire the debt as it comes due. That's \$2 trillion worth of debt.

And it also makes sense to set aside money for contingencies, which we have done. We've set aside a trillion dollars for contingencies. People say, "What kind of contingencies are you talking about?" Well, we may need some contingencies for America's farmers. Or after we end up reviewing the military—and remember in my speech, if you paid attention, or at least listened—[*laughter*]
—I said we're going to have our defense vision drive the budgeting, and not the other way around. And we've got to make sure that we've got a plan. And we've got to figure out what systems make sense, as we head into the 21st century. Instead of having military budget spending be based upon politics, let's have it based upon a strategic vision of how best to keep the peace, not only today but down the road. We may need money for that. And so we've got a trillion dollars set aside in contingencies.

As I tried to explain to the Congress, we increase spending, not nearly as much as they did the last time, but we increase it. We set aside money for Social Security and Medicare. We pay down debt, and we set aside contingency money. And you know what? There's still money left over. And the fundamental question is, what do we do with it—what do we do with it?

That's what's going to happen. When you have more money than you need, it seems like somebody is getting overtaxed and overcharged. And what I am going to do is remind the Congress that if we've overcharged somebody, it's time for a refund. It's time to remind people on a regular basis in Washington, the surplus is not the Government's money; the surplus is the people's money. And now is the time. Before this money gets

all spent, now is the time to send some of it back.

But it's also the time to send it back because our economy is beginning to sputter. And one of the things we can do to make sure the economy gets a second wind is to let people have money in their pockets so they can spend it. One way to make sure that people can find work who want to find work is to set priorities, set contingencies, pay down debt, and give people some of their own money back. Or how about not taking it in the first place? So we reduce the rates on everybody who pays taxes.

There are some in Washington who say, "Well, some people need to be targeted in and some people need to be targeted out of tax relief."

Audience members. No-o-o!

The President. Now, the fairest tax relief is to say, if you pay taxes, you get relief. That's the fairest way to do something. We drop all rates. We drop the bottom rate from 15 percent to 10 percent. We drop the top rate from 39.6 to 33 percent. And one of the reasons why it is important to drop the top rate is to recognize the contributions that small businesses play in America. Small business—small businesses are really the backbone of the capitalist system. The entrepreneur is a soul who dreams big and works hard to realize a dream and therefore ends up employing people. That's what the small business is all about.

What I hope Congress recognizes is that many small-business folks are unincorporated, and many of them are Subchapter S, which means they pay the highest rate. And by dropping the rate, we increase the ability of small businesses to grow and to employ more Americans.

Our current Tax Code is unfair. It is unfair for folks who live on the outskirts of poverty, who are struggling to get ahead. It's unfair. It's unfair that if you're a single mother, working hard, and you're in the \$22,000 range, for every additional dollar she earns—what's unfair is that's taxed at a higher rate than someone who is very successful.

I used to try to paint the picture during the campaign about the tollbooth in the road to the middle class. It meant people on one side of the tollbooth paid a lower marginal

rate than those trying to get through. That's not what America's about, as far as I'm concerned, and I know it's not about what—as far as you're concerned.

This is a country that says, the harder you work, the more you struggle, the more likely it should be you're able to realize your dreams. No, we need to drop the bottom rate, and we need to make sure that that hard-working waitress is more likely to be able to save and dream and build.

We penalize marriage in the Tax Code, and that's not right. And the death tax is wrong. It taxes people's assets twice. Now, this is a tax plan that is well thought out, and it's fair. As I said in my speech, some folks will say it's too big; some folks will say it's too small. We need to send the message to Republican and Democrat legislators and Senators that it is just right.

And so I'm here to ask for your help—I'm here to ask for your help. You don't have to worry about Zell Miller. You don't have to worry about these three U.S. Congressmen who are here. But there may be some other folks from the State of Georgia who might be a little nervous about the plan. I certainly hope not. We're not going to take anything for granted, though.

So if you find a Member that you may have some influence with, or know an e-mail address or can figure out where to write a letter, and find out somebody isn't listening to you, to do what's right for the country, just drop them a line. I could use your help.

And if somebody argues with you, just remind them of these facts, that the average family will receive \$1,600 in tax relief. That doesn't seem like a lot to some of the folks who may be doing all right, but it's a lot to a lot of people. It's a lot to people whose energy bills have gone up because we don't have an energy policy in America. There's a lot of talk about national debt, and that's important. But there's a lot of credit card debt that are burdening people; \$1,600 can help a lot; \$1,600 can help set money aside for a child; \$1,600 is real money. And I'm going to remind those folks again whose money it is: It's the people's money, your money.

I haven't been your President for a long period of time, but I can report that it is

a fantastic experience. I can't tell you what an honor it is. I can't tell you what a high honor it is to represent the American people in Washington. That's why it's important to come out and get my batteries charged in places like DeKalb County, Georgia; to be able to look my fellow citizens in the eye and say, "I know you're counting on me, but I'm counting on you, as well."

I'm counting on you, when you find a neighbor in need, to reach out a hand, and say, "What can I do, brother or sister, to help you?" I'm counting on you to run a Boy Scout troop and to teach our children right from wrong. Our Nation counts on people who have got good heart and good will to say, "What can I do to make my neighborhood a better place," instead of hoping that the Federal Government, in its infinite wisdom, waves a magic wand and there's educational excellence in every school in Georgia. We need the good citizens of these communities to get involved with public education, to make sure our teachers are supported, excellence is demanded, accountability is in place so no children are left behind. No, I'm counting on you.

The reason I'm so optimistic about America, though, is that our land is full of loving people. The great strength of the country doesn't lie in the halls of our governments; it lies in the homes of our people. The great strength of America is the fact that America is full of caring and loving, God-fearing and decent souls. And I am proud to be your President.

Thank you all for coming. God bless, and God bless America.

NOTE: The President spoke at 2:10 p.m. in the atrium at the Fernbank Museum of Natural History. In his remarks, he referred to Vernon Jones, chief executive officer, DeKalb County; Georgia State Senators Terrell Starr, Nathan Dean, and Eric Johnson; and Georgia State Representatives Lynn Westmoreland and Thomas Buck III.

Remarks at a Leadership Forum in Atlanta

March 1, 2001

The President. Bill, thank you very much. And Lydia, thank you for the tour. This is

a hospital, but it's also—it's a place full of love. And I was most touched by meeting the parents and the kids and the nurses and the docs, all of whom are working hard to save lives. I want to thank the moms who are here. Jim, thank you very much for your hospitality. And Tommy, I'll get to you in a minute. *[Laughter]*

There's a lot of talk about budgets right now, and I'm here to talk about the budget. My job as the President is to submit a budget to the Congress and to set priorities, and one of the priorities that we've talked about is making sure the health care systems are funded. And Dr. Woods talked about our commitment—and it's a joint commitment—it's a commitment I'm confident the Congress will make with me to double the NIH funding by the year 2003. That's an important commitment of the Federal Government.

You know more than me about how effective those dollars can be, and it's a wise use of Federal taxpayers' money. It means that the budget will be increased to 28 billion a year by the year 2003.

Secondly, I want to talk about two other aspects of health care before I get into how this all works. One is, we're going to double Medicare over the next 10 years from \$216 billion to \$549 billion. It's a significant increase of expenditures. It's \$159 billion in new Medicare spending above and beyond that which was projected. It means that our country is going to make a firm commitment to those who rely upon Medicare dollars—the elderly, the teaching hospitals. It is an important Federal commitment.

By the way, with the expenditure of Medicare money, we also have got to have the courage to reform Medicare to make it a program where seniors have got more choices and more options from which to choose to match their particular needs. And all the reforms must insist that prescription drug coverage becomes an integral part of the Medicare package.

And finally, an interesting opportunity we have in the country as far as I'm concerned is to increase funding for community health centers. I'd like to increase the number of community health centers from 3,000 to

4,200 over the next 5 years, doubling the number of people who will be served.

Community health centers are good opportunities to take pressure off of hospital emergency rooms, for starters. They're opportunities for people to get primary care who are indigent poor, maybe newly arrived to America. It is a wise expenditure of taxpayers' money.

A point I'm trying to make to the people of Georgia and will make around the country is, the first job of a President is to set priorities. Not only are these, the items I just talked about, priorities, so is public schools. It's a priority. As a matter of fact, the largest increase in my budget is for public education.

However, I'm mindful of the fact that the Federal Government is only a partial provider of funds and should never run the schools. I strongly advocate and strongly will fight for local control of schools. One size does not fit all when it comes to the education of children.

As an aside, one of the interesting reforms that I hope we get through the Congress says two things: One, we're going to provide flexibility to local folks to run the schools; and secondly, if you receive Federal money, you must measure. You must show us whether or not children are learning to read and write and add and subtract and, if not, correct.

This is an interesting place to talk about diagnosing problems, right here in a hospital. Well, we need to do the same thing in education, particularly in the early years. We must diagnose whether or not a child has deficiencies in reading, for example, and solve them early—and solve them early. And that's the whole spirit of reform that we're proposing.

I want to pay the military more, folks. In my budget, we increase military pay by a billion dollars over the current pay. But having met all these—and set aside all the payroll taxes for Social Security—that's what we do, 2.6 trillion over 10 years will only be spent on Social Security. Now, that sounds like a lot of money, and it is. Except, we've got much more money than that available to figure out what to do with. And so \$2 trillion will be spent to pay down debt over the next 10 years.

And people say, “Well, you need—why not more? Why not 800 billion more, or maybe a trillion more?” And the reason why is, because the debt doesn’t come due over—the amount of debt that comes due in a 10-year period is 2 trillion. There is no need to pay a premium to retire debt early. It would cost taxpayers more money, and that doesn’t make any sense.

We still have money left. We’ve got pretty good cash flows at the Federal level. And what I want to do is set aside a trillion dollars for contingencies and with the remaining money, which amounts to 1.6 trillion over 10 years, remember who paid the money in the first place.

The point I want to make in this haven of love, a place of deep concern about children’s health, is that we can fund priorities. If we’re wise about how we budget money, we can set aside important priorities, and we can give people some money back, and I think that’s really important. I know it’s important at this moment in today’s—in history, because, one, our economy is sputtering. And the money—if we can accelerate a tax relief plan to people like Tommy and Cynthia and everybody else up here, it will put more money in people’s pockets, which will cause them to spend, which will cause the economy to get a second wind, we hope.

Secondly, there are a lot of people paying higher energy bills than they paid in the past. It’s like a tax. And I think it’s wise—if we’re able to prioritize and realize we have more money—to help people manage their own personal accounts, their own balance sheets. A lot of people have got consumer debt that they’re worried about. And there’s a lot of focus on national debt; I focus on the people’s balance sheets, as well.

And so I’m confident that not only can we meet our priorities but make sure a guy like Tommy Winfield and his family, who pay \$1,380 of Federal income taxes, gets relief. In his case, he will end up paying no Federal income taxes under this plan. His tax burden will go from \$1,380 to zero. Now, there are some sophisticates who will say that’s not very much money, but it’s plenty for him.

Tommy Winfield. Mr. President, let them ask me.

The President. Let the record note, this was not rehearsed. [*Laughter*]

At any rate, I appreciate the chance to come and make my case for the budget, for the budget. And we had a great rally in DeKalb County, and it gave me an opportunity to remind people that if you’re concerned about the budget and you want there to be fiscal sanity in Washington with priorities set and funded, write your Senators and your Congressmen.

I have great faith in the people of America. And coming to this hospital and seeing and feeling the love on the floor we were on, knowing there’s dedicated doctors, loving nurses, spending a lot of time trying to help kids, renews my faith in the greatness of America.

I told the people earlier, the great strength of this country is not because of our Government; it is because of our people. And this hospital is a living example of what I’m talking about.

So Dr. Woods, thank you for giving me a chance to come, and I’m looking forward to hearing from our other panelists.

[*At this point, the forum began.*]

The President. Thanks, Tommy, I appreciate you saying that.

You triggered something in my mind when you said that. Again, I want everybody to understand we’ve set priorities and funded them. There’s a fundamental issue at stake here. And that is, do you trust Tommy to spend his own money? That’s really one of the issues, if you think about it.

And I want the people of Georgia to hear loud and clear my plan trusts the Tommys of the world to make the decisions. You see, I think he—you can best decide what’s best for your family better than I can decide what’s best for your family.

And I shouldn’t be trying to decide what’s best for your family, after we meet some common needs in the country. Defense is a common need; health care, health research is a common need. Education is a common need.

Again, I just want to repeat, please don’t hope that the Federal Government is going to wave a magic wand and there will be educational excellence. As a matter of fact, it’s

less likely there will be educational excellence if there's power in Washington, DC, because the schools in Georgia are different in many ways from the issues that face Texas schools. And so we should not try to federalize education, but there are some things we can do by spending money wisely and insisting upon local control of schools and accountability.

After those needs are met, you're the person I want spending your own money. As a matter of fact, it's not the Government's money; it's yours to begin with. And that's kind of what I'm trying to get changed, the whole attitude about the people's money.

As a matter of fact, we're not giving you any money back. As a matter of fact, I am trying to advocate that we're not going to take it in the first place, so you get to keep it. You know, we're spending on tax cuts. Well, that's kind of contradictory language because it's your money. And anyway, it's a mindset that I'm trying to get—trying to impress upon the people.

And the best way to get this done, in my opinion, is to rally the will of the people. I've got great faith in the American people, and that's what this is all about. And so I'm so honored that you all are giving me a chance. It's an educational experience for me. It's a heartening experience for me, and it's a chance for me to move around the country, to get outside of Washington and sit face to face with real Americans who are working hard for their families, love their kids, love their country.

And so it's an honor to be here, Bill. And thank you all very much, Lydia. Thanks to the moms. I thank you for your courage and your love, and God bless you all.

Participant. Thank you, Mr. President. God bless America.

The President. Thank you. Thanks for coming.

NOTE: The President spoke at 3:17 p.m. in the auditorium of Children's Healthcare of Atlanta at Egleston. In his remarks, he referred to Bill Woods, chief medical officer, Lydia Gonzalez Ryan, clinical director, and Tommy Winfield, staff member, AFLAC Cancer and Blood Disorders Program, and Jim Tally, president and chief executive officer, Children's Healthcare of Atlanta; and Cynthia DeWild, whose son Joseph is a pa-

tient in the AFLAC Cancer and Blood Disorders Program, Children's Healthcare of Atlanta.

Memorandum on Certification for Major Illicit Drug Producing and Drug Transit Countries

March 1, 2001

Presidential Determination No. 2001-12

Memorandum for the Secretary of State

Subject: Certification for Major Illicit Drug Producing and Drug Transit Countries

By virtue of the authority vested in me by section 490(b)(1)(A) of the Foreign Assistance Act of 1961, as amended (the "Act"), I hereby determine and certify that the following major illicit drug producing and/or major illicit drug transit countries have cooperated fully with the United States, or have taken adequate steps on their own, to achieve full compliance with the goals and objectives of the 1988 United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances:

The Bahamas, Bolivia, Brazil, People's Republic of China, Colombia, Dominican Republic, Ecuador, Guatemala, India, Jamaica, Laos, Mexico, Nigeria, Pakistan, Panama, Paraguay, Peru, Thailand, Venezuela, and Vietnam

By virtue of the authority vested in me by section 490(b)(1)(B) of the Act, I hereby determine and certify that, for the following major illicit drug producing and/or major illicit drug transit countries that do not qualify for certification under section 490(b)(1)(A), the vital national interests of the United States require that assistance not be withheld and that the United States not vote against multilateral development bank assistance:

Cambodia and Haiti

Analysis of the relevant U.S. vital national interests and risks posed thereto, as required under section 490(b)(3) of the Act, is attached for these countries.

I have determined that the following major illicit drug producing and/or major illicit drug transit countries do not meet the standards for certification set forth in section 490(b):

Afghanistan and Burma

In making these determinations, I have considered the factors set forth in section 490 of the Act, based on the information contained in the International Narcotics Control Strategy Report of 2001. Given that the performance of each of these countries has differed, I have attached an explanatory statement for each of the countries subject to this determination.

You are hereby authorized and directed to report this determination to the Congress immediately and to publish it in the *Federal Register*.

George W. Bush

**Message to the Congress
Transmitting a Report on Critical
Infrastructure Protection**

March 1, 2001

To the Congress of the United States:

Pursuant to section 1053 of the Defense Authorization Act of 2001 (Public Law 106–398), enclosed is a comprehensive report detailing the specific steps taken by the Federal Government to develop critical infrastructure assurance strategies as outlined by Presidential Decision Directive No. 63 (PDD–63).

This report was drafted by the previous Administration and is a summary of their efforts as of January 15. However, since this requirement conveys to my Administration, I am forwarding the report.

Critical infrastructure protection is an issue of importance to U.S. economic and national security, and it will be a priority in my Administration. We intend to examine the attached report and other relevant materials in our review of the Federal Government's critical infrastructure protection efforts.

George W. Bush

The White House,
March 1, 2001.

**Proclamation 7411—Women's
History Month, 2001**

March 1, 2001

*By the President of the United States
of America*

A Proclamation

In 1845, journalist and author Margaret Fuller laid out her hope for the future of this Nation's women: "We would have every arbitrary barrier thrown down. We would have every path laid open to women as freely as to men. If you ask me what offices they may fill, I reply—any, I do not care what case you put; let them be sea captains, if you will."

More than 150 years later, we are closer than ever to realizing Margaret Fuller's dream. Women account for nearly half of all workers. Today, women are "captains" of their own destinies, and they will continue to help shape our Nation's future. Women hold 74 seats in the United States Congress, more than at any time in our country's history, and women own more than 9 million businesses employing more than 27.5 million workers. Through their tireless service on a daily basis, the women of our Nation have woven the fabric of families and communities. They contribute immeasurably through faith-based and community organizations.

Our Nation's women could not be where they are—nor could our country be where it is—without the strength and courage, wisdom and persistence of those who preceded them. America has been blessed with women like Harriet Beecher Stowe, Susan B. Anthony, and Jane Addams, all of whom refused to accept oppression as inevitable. Female political leaders including Margaret Chase Smith and Eleanor Roosevelt forever changed the face of American government. Women have played a vital role in educating our Nation: Mary Lyon, Dorothea Dix, Elizabeth Blackwell, and Mary McLeod Bethune all fought history and stereotypes to become scholars in their own right and pass their knowledge to subsequent generations. Similarly, female authors such as Anne Bradstreet, Emily Dickinson, Pearl Buck, and Zora Neale Hurston represent only a small

sample of the many women who have contributed to the American literary canon.

Our Nation boasts a rich history of women whose heroic achievements speak to the sense of excellence, potential, and patriotism shared by all Americans. Anna Warner Bailey's and Clara Barton's courage in war has inspired generations of men and women called upon to fight for America. The fortitude of spirit displayed by Helen Keller, Amelia Earhart, and Wilma Rudolph has made them role models both here and abroad. Finally, from the sacrifice of mothers and grandmothers to the dedication of successful women in business, government, and charitable work, the legacy of women in America gives all young people in this country the impetus to dream without limits.

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 March 2001 as "Women's History Month." I call upon all the people of the United States to observe this month with appropriate ceremonies and activities and to remember their contributions throughout the year.

In Witness Whereof, I have hereunto set my hand this first 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, 11:47 a.m., March 5, 2001]

NOTE: This proclamation was released by the Office of the Press Secretary on March 2, and it will be published in the *Federal Register* on March 6.

Remarks to the National Conference of State Legislatures

March 2, 2001

Mr. Secretary, thank you for the three introductions. [Laughter] When I was looking for people to serve in the Cabinet, one of the places I looked was for fellow Governors, because I strongly believe that there needs to be appropriate balance between the Fed-

eral Government and the State governments. And I found a good one in Tommy Thompson. He's going to do a great job, and I'm so honored that you're here. I appreciate you all having me. I see some familiar faces—Mr. Speaker. I'm glad you all are here. I want to thank Senator Costa and Senator Saland for inviting me. I've got something to say about the budget, and this is a pretty darn good forum to do so.

Before I begin, though, I want to thank the folks from Quebec who are here. And where are you? There you are, sir. Thank you for being here. I'm looking forward to coming to Quebec City in April. I had a good visit with the Prime Minister of Canada the other day, and I'm confident our nations will continue our long friendship together and work together for the good of our two countries and our hemisphere. I understand we've got some folks from South Africa as well.

Well, thank you all for coming. Welcome. I'm sure glad you're here. Any Texans here, speaking about foreign countries? [Laughter] Darn it. [Laughter] One of the things that I talked about with the Governors, all of whom were here the other day, was a new federalism initiative. And my administration is going to listen to people at the State and local level to make sure we clearly define the role of Federal Government and State Governments and then have a—by Executive order, put a group together to make sure it actually happens.

A lot of times in Washington, as you know, we tend to talk, and sometimes the talk isn't backed up by action. And so we're going to work hard to make sure that the new federalism becomes reality.

And it's important. Take a matter like education. One of my priorities as the Governor of Texas was education; one of my priorities as the President is to make sure every child gets educated. But I can assure you, this administration understands the importance of local control of schools. And we don't believe in the federalization of the public school system, that one size does not fit all when it comes to education.

And of course, ours is an administration that doesn't care whether your Governor or your speaker or your leader of the senate is

a Republican or a Democrat, if you believe in local control of schools, you do so in a nonpartisan way. So we look forward to working with the Congress to pass power out of Washington, to make those Federal programs that are prescriptive in nature become supportive of local efforts to meet—so that each local State and district can chart their own path to excellence for children.

One of the reforms that I think that is going to be crucial is to work with States and local jurisdictions to develop strong accountability systems, that in return for Federal money that you must show us whether or not children are learning to read and write and add and subtract.

We will not have a national test. A test devised at the national level will undermine local control of schools. But I think it's a perfectly appropriate question to say, for example, with disadvantaged students, those with Title I money, that—measure—measure on an annual basis. You develop the standards, you develop the test, but show not only the President but show everybody else whether or not the schools are meeting the objectives. And if they are, we'll praise teachers like we should, all across the country. But if not, instead of just accepting the status quo, if it's okay to shuffle kids through the system who can't read, it will serve as a catalyst to change.

And this is a substantial reform. On one side, you'll have people say, "Well this is not the proper role of the Federal Government, to insist that local jurisdictions show us whether or not children are learning." I reject that argument. We're a results-oriented nation. And there's no better—no important place to find positive results than in our public schools and no important place to find negative results and correct them early than in our public schools.

And they're going to hear people say, "Well, it's racist to test." Listen, I went through this argument in the State of Texas. It is racist not to test. It is important to test, because we believe all children can learn, and therefore, when we find certain children not learning, let's correct it. See, the attitude is, "If certain kids can't learn, let's just not hold people accountable; let's just quit and move them through the system." That's unacceptable to me. I know it's unacceptable

to you. I believe it's going to be unacceptable to both Republicans and Democrats in the Congress. The cornerstone of reform is flexibility at the local level, coupled with strong accountability measures.

Many of you all know the debates, oftentimes, on important matters like education, revolve around who spends the most money. And the truth of the matter is, the Federal Government's got a limited role when it comes to the expenditure of taxpayer's money in public schools. I mean, we fund about 7 percent of the total budgets across the Nation.

But there is an important role for the Federal Government, particularly for disadvantaged children. And so we've increased our education budget by more than any other Department in the Federal Government. The debate here of course will be, "Well, it's not enough." But for those who argue that, sometimes they're not—they don't have to do what the executive branch does, which is to present an overall budget, to make it work. And that's what I want to explain to you all, how our overall budget works.

First, there was a contest at the end of the last session to figure out who could spend the most money. It didn't matter what your party was, it looked like. The budget grew by 8 percent. That's a substantial growth in Federal expenditures. My budget slows discretionary spending down to 4 percent. That's more than the rate of inflation. It's a pretty high increase in the expenditures, but it's nothing close to what was happening over the last 3 years, on average, and at the end of last year.

That's caused some consternation because in Washington, the definition of a cut is that you haven't increased the budget as much as anticipated. You may be actually increasing spending, but that's called a cut up here. I've had to learn new accounting. *[Laughter]* But we grow the discretionary spending by 4 percent.

We protect entitlements. All of the payroll taxes will be set aside for Social Security and only Social Security. We double the Medicare budget over a 10-year period of time. We increase Medicare in the first year, to

meet all needs, and including having a prescription drug program for poor seniors to be administered by the States.

It is a budget that meets needs. And by the way, we pay our soldiers more money. We've got an increase in pay for the men and women who wear the uniform. As an aside, I think it's very important for my administration to send this message to Congress and to the country, that we'll first develop a strategic vision of military spending, a strategic vision of the military, and then we'll figure out how to spend the money, as opposed to let's spend the money first and then maybe develop a strategic vision afterwards. It's called planning. And one of the things that executive branch folks must do is to help plan the proper expenditure of money, and that's what we're going to do. But we do increase the military budget, starting with the personnel, to make sure folks are better housed, better paid, and better trained.

And as an aside—a second aside—the Commander in Chief must set a clear mission for all Departments, particularly the Department of Defense. And the mission is to be prepared to fight and win war and, therefore, prevent war from happening in the first place. It's a clear mission and a clear statement of purpose.

There is a lot of discussion about paying down debt. And it's a healthy discussion. We pay down \$2 trillion debt over a 10-year period of time in our budget. That's the largest amount of debt ever paid by a country in history. I think that's an accurate statement. There is also debt at the local level. It's called consumer debt. And so, while a lot of us up here talk about Federal debt, one of my jobs is to make sure the Nation stays focused on the debt that burdens the working folks in America. People have got a lot of credit card debt. And when you couple that with high energy prices, some of the people that you know are in a pinch. And we'd better do something about it. It's important for our economy to do something about that. It's important for the lives of people who struggle to get ahead to do something about it. And that's part of the basis for the tax relief package.

But before I talk about the tax relief, I also want to tell you, we've set aside \$1 tril-

lion over 10 years for contingencies. That can mean a lot of things. Contingencies can mean, "Well, maybe the numbers weren't as good," or "I think they're going to be better than they anticipate," by the way. It could be that we need money for emergencies, which we probably will, maybe need a little more money for some of the agricultural sector around the country. There are contingencies set aside.

And finally, that leaves money left over. And the big debate here—and you go through the debate every single budget session—is what to do with it. And I am going to make the case, not only here in Washington but traveling around the country, that we need to remember who paid the bills in the first place.

I'm trying to be as—to bring as much common sense to Washington as I can. And the speech I gave the other night was an attempt to say, here's the priorities; there's money left over. Here's the debt repayment; there's money left over. There's a commonsensical way to budget by setting aside contingencies, and there's still money left over. And by the way, these numbers are based upon conservative assumptions.

The first year, the budget is based upon a 2.4 percent growth. It averages a little more than a 3 percent growth over the next 10 years. We can do better than that in America. America can grow our economy. We're too strong a nation. We're an entrepreneurial nation. We've just got some unbelievable productivity gains to be achieved in our economy.

People take a pessimistic view about how to project revenues, and that's fine. But I just want you to know I'm much more optimistic than the point of view here in Washington. People say, well, what happens if—you know, gosh, what happens—maybe we need a trigger mechanism, that's kind of the discussion. So, therefore, if the surpluses don't materialize—well, there's two reasons why surpluses won't materialize. One is that the revenues aren't quite as expected because the economy has slowed down, in which case we need to accelerate tax cuts. You see, tax relief will put money in people's pockets, which will help give the economy a second wind. Or, a reason the surplus may not materialize

is because Congress has overspent. So it seems like to me we need to be careful about any trigger mechanism that ought to be on spending to make sure that we don't overspend surpluses.

The tax relief package is well thought out and well designed. Of course, I would say that. [Laughter] But we've spent a lot of time on it. As opposed to trying to figure out what number sounded like it made sense, we actually calculated the cost of fixing parts of the Tax Code that are unfair. For example, the death tax is unfair. Many of you come from agricultural States; you know exactly what I'm talking about.

The marriage penalty is unfair. The Tax Code itself is unfair, because it's like we erect, as I said in the campaign, a tollbooth right in the middle of the road to the middle class. One on one side, people struggling to get to the tollbooth pay a higher marginal rate on additional dollars earned than people who are successful. If you're a single mom, like I said in my speech, and you're trying to get ahead and you're making in the low \$20,000 salary range, as you lose earned-income tax credit, as you start paying the 15 percent bracket, as you pay payroll taxes, your marginal rate is nearly 50 percent on additional dollars earned, and that is not right. And that's not the America that we all want our country to be. It sends the wrong message.

And therefore, we dropped the bottom rate from 15 percent to 10 percent and doubled the child credit, which will make the marginal rates on people starting to get ahead less, and that's important. Access to the middle class is a fundamental part of the American experience.

We also drop all rates. The temptation, of course, as you know, in tax policy is for people to say, "Well, I'll get to decide who gets the tax breaks. Let me make those decisions." It's called targeting. I don't think we ought to try to figure out who is targeted in and targeted out. I think if you pay taxes, you ought to get relief.

Finally, there will be a lot of discussion about whether or not we ought to drop the top rate. Well, first of all, if everybody who pays taxes ought to get relief, then you ought to—need to drop all rates. But secondly, I

want to remind you all that when you drop the top rate from 39.6 to 33 percent, it enables small businesses and entrepreneurs to more likely be able to expand their businesses. Because if you inquire, you'll find a lot of the small businesses in your districts and in your States are unincorporated small businesses and/or sub-Chapter S businesses. And the top rate reduction I view as a way to create an environment in which the entrepreneurial spirit can continue to move in America.

One of the most hopeful statistics I heard was in the great State of California, where there are over 700,000 Latino-owned small businesses in that State. That's a fantastic statistic about the American Dream and the American experience and the whole concept of owning something. One of the things that distinguishes our great land is people can own their own business or own their own home. And the idea of encouraging the entrepreneurial experience to flourish, particularly in the small business sector, is what I think good public policy is all about.

So tax relief is not only to—as a way to kick-start the economy that is in fact slowing down, but tax relief is also an opportunity to achieve certain objectives, to make the code more fair, and to make the small business person more likely to employ additional folks. And that's my case. I think we're going to get it done.

And I'd like your help. I'm going to travel the country a lot, which I'm finding to me is important, not only to make the case, but it's important to remember where I came from. And I came from many of the neighborhoods that you all represent, just good, honorable, hard-working people. I cannot tell you what an honor it is to be the President and to drive in those cars with the American flag flying and to see people lining the roads, waving to the office. It reminds me of the greatness of the country. And it's the people of America. You know that just as well as I do. The people of this great country is what makes this place so special, this land so special. And all public policy must recognize that, and work to empower people, so they can help themselves. My budget does so. That's what the budget is all about. And I

want to thank you for giving me a chance to come by and make my case.

God bless.

NOTE: The President spoke at 10:20 a.m. in Presidential Hall in the Dwight D. Eisenhower Executive Office Building. In his remarks, he referred to California State Senator Jim Costa, president, and New York State Senator Steven M. Saland, president-elect, National Conference of State Legislatures; and Prime Minister Jean Chretien of Canada.

Remarks at the Swearing-In Ceremony for Anthony J. Principi as Secretary of Veterans Affairs

March 2, 2001

The President. Thank you all for coming. Liz, thank you for being here, and family members who are here, Mom. We are honored you are here, and thank you so much for witnessing the swearing-in of a good man.

Today we honor a man and swear in a man who has served his country in many ways. Tony Principi came to understand the military in war time as a decorated soldier in Vietnam. As a veteran, he came to understand the Department of Veterans Affairs by serving there. To fill this position, I looked carefully, and I chose well.

America has 25 million veterans. They ask that their Government honor its commitments as they honored theirs. They ask that their interests be protected, as they protected their country's interests in the line of duty. Secretary Principi is prepared not only to lead this Department but to modernize it.

Veterans' claims are often poorly handled, and many veterans are not treated as well as they should be by the health care bureaucracy. Tony and his Department will set new goals for better service. More importantly, we both expect the Department to meet the goals.

As I said to Congress on Tuesday night, we must honor our commitment to veterans by ensuring access to the finest health care. This is a basic obligation of our country. In last year's campaign, I promised American veterans they'd have an advocate in the White House. In Secretary Principi, they

now have a strong and faithful friend at the Department of Veterans Affairs.

Mr. Secretary, thank you for your service. Congratulations.

[*At this point, Secretary Principi made brief remarks.*]

The President. Thank you, Mr. Secretary.

NOTE: The President spoke at 1:28 p.m. in the Oval Office at the White House. In his remarks, he referred to Secretary Principi's wife, Elizabeth, and his mother, Theresa. The transcript released by the Office of the Press Secretary also included the remarks of Secretary Principi.

Remarks at the Swearing-In Ceremony for Ann M. Veneman as Secretary of Agriculture

March 2, 2001

The President. Well, it's my honor, along with the Vice President, to welcome Secretary Veneman and her sister, Jane, who did a fine job of holding the Bible, and Veneman family members. Welcome to the Oval Office, and thank you all for coming.

Ann is new to the Cabinet but not to the Department she leads, nor the issues that her Department will face. Having served as California's highest agricultural official and in prominent posts here in Washington, she comes to the job very well prepared.

Agriculture represents 13 percent of our Nation's economy and remains central to prosperity at home and competitiveness abroad. In many ways, it is the most crucial of all industries and, yet, the most easily taken for granted. American farmers are without rival in their ability to produce and compete. But they face every kind of challenge, from bad weather to closed markets.

This administration is going to be a friend to the American farmer. In times of emergency, they will get the assistance they need, when they need it. We will support tax-deferred savings accounts, to help farm families guard against downturns. And to keep family farms in the family, we're going to get rid of the death tax.

For many farmers, the greatest challenge today is finding markets for their products. Americans represent just 4 percent of the

world's population. But our farmers have the technology and the skill to feed much of the world beyond.

Ann and I will carry out this equivocal message to the world: Markets must be open. The United States will not tolerate favoritism and unfair subsidies. We want to compete, and we want our farmers to compete on level ground. And agriculture will no longer be traded away or ignored when we sit down at international negotiating tables. It will be a top priority of ours.

America's farmers will have a strong advocate in the new Secretary. Today, the number of women-owned farms is the highest ever, and Ann Veneman is the first woman ever to hold this position. I'm confident she'll be one of the most successful leaders that this Department has ever had.

Madame Secretary.

NOTE: The President spoke at 1:44 p.m. in the Oval Office at the White House. The transcript released by the Office of the Press Secretary also included the remarks of Secretary Veneman. A tape was not available for verification of the content of these remarks.

Remarks at the Swearing-In Ceremony for Spencer Abraham as Secretary of Energy and an Exchange With Reporters

March 2, 2001

The President. It's my honor to welcome the Secretary and his family. I forgot that he and I were members of the fathers of twins club. [Laughter] Jane, it's good to see you. I want to welcome you all here. We look forward to having a picture-taking session next door after our brief remarks.

Two months ago, in Austin, I announced my intention to nominate Senator Spence Abraham as the Energy Secretary. He's obviously since then been confirmed by the Senate. His performance in office has already confirmed that I chose the right man for the job.

Secretary Abraham knows energy policy. He understands the many challenges and opportunities before us. Today, we are seeing the consequences of going too long without an energy policy. Many Americans are strug-

gling with the high cost of energy. People who live in the West face a major energy shortage, which has caused rising prices and growing uncertainty.

I have asked Federal agencies to work with California officials to bring more energy to the people of that State, as quickly as possible. Also I've asked Secretary Abraham to work with Vice President Cheney and Secretary of Commerce Evans and other senior officials to develop a comprehensive energy policy for the United States.

Our objective should not only be to manage the current situation but to avoid any crisis in the first instance. This requires a four-part strategy: first, to make energy security a priority of our foreign policy, by restoring American credibility with overseas suppliers and building strong relationships with energy-producing nations in our hemisphere; second, to encourage environmentally friendly exploration and production of domestic energy sources like oil, natural gas, and coal; third, to promote the production of electricity to keep pace with America's growing demands; fourth, to support the development of cost-effective alternative energy sources.

The goals of this strategy are clear: to ensure a steady supply of affordable energy for America's homes and businesses and industries, and to work toward the day when America achieves energy independence.

It was in the State of Michigan that I first pledged a comprehensive energy policy for our country. This afternoon I welcome to the Cabinet a proud son of Michigan, a grandson of immigrants, and a good man.

Mr. Secretary.

[At this point, Secretary Abraham made brief remarks.]

Q. Mr. President, do you have time for questions, sir?

The President. No. [Laughter]

Camp David

Q. You're going to Camp David a lot. Can you tell us why you like going there, what you do when you're up there?

The President. I guess I do. He's asking—I'm going to Camp David, and I like to spend time with my family. And my brother Marvin and my sister, Dorothy, will join us up there.

It's a good place to relax, and it's also a good place to catch up on my work. I'm a little bit behind on my mail right now. But I intend, every chance I get, to go. If I'm not going to Crawford and I don't have to give a speech here on the weekend, I'm going to go to Camp David.

Federal Spending Limits

Q. Mr. President, some members of your own party are chafing at the idea of holding Federal spending increases for—

The President. Yes.

Q. What argument can you make—

The President. Well, I know there's a lot of folks that are used to big spending. After all, the spending increases were very dramatic at the end of the last session. And my answer is, let's—why don't we have some fiscal sanity in Washington. My budget increases the rate of growth in discretionary spending by 4 percent. And surely, Congress will be willing to work with the administration to bring—to control the appetite by 4 percent.

And I believe when people are willing to take a hard look at setting priorities in different spending programs, we'll be able to meet that target and thereby be able to send some of the surplus back to the people, which is an important part about making sure our economy gets a second wind. And it's an important part—and this country has got to remember, the people up here in this—have got to remember that this country, in this country, a lot of folks are paying high energy bills, and a lot of folks have got a lot of debt, personal debt. And if we're wise about how we spend money in Washington, we will enable people to have more money in their own pocket, and that would be wise economic policy.

Thank you.

NOTE: The President spoke at 2:02 p.m. in the Oval Office at the White House. In his remarks, he referred to Secretary Abraham's wife, Jane. The transcript released by the Office of the Press Secretary also included the remarks of Secretary Abraham.

Statement on Relief and Reconstruction Assistance for El Salvador

March 2, 2001

I had a good meeting today with El Salvador's President Francisco Flores. I commended him for the strong leadership he and his government have shown in the aftermath of two recent earthquakes that killed and injured thousands of people and left many more homeless.

The United States responded to these earthquakes by quickly sending rescue workers and over \$16 million in relief assistance to the people of El Salvador. Today I told President Flores that the United States has pledged \$52 million in reconstruction assistance to El Salvador this fiscal year, and I will seek to match or increase that amount for next year.

In addition, I informed him of the Attorney General's decision to grant temporary relief from deportation for a period of 18 months for Salvadoran citizens living in the United States. This will allow them to continue to work here and to remit some of their wages back home to support El Salvador's recovery efforts.

The recent earthquake in Washington State brings home to the citizens of our Nation how natural disaster can strike any of us. And it reminds us of our obligation to reach out to help those in other nations struggling in the wake of disaster to rebuild their homes and lives.

Proclamation 7412—National Poison Prevention Week, 2001

March 2, 2001

By the President of the United States of America

A Proclamation

National Poison Prevention Week alerts Americans to the dangers of accidental childhood poisonings and to the measures that help prevent poisonings. During the 40 years since the Congress authorized the annual proclamation of National Poison Prevention

Week, our Nation has seen a dramatic decrease in deaths from childhood poisoning. In 1962, nearly 450 children died from poisoning after they accidentally swallowed medicines or household chemicals. From 1993 through 1997, an average of 36 children died each year from poisoning. This dramatic reduction in poisoning fatalities is a significant public health success.

However, the death of even one child from poisoning should be prevented. According to the American Association of Poison Control Centers, more than 1 million children each year are exposed to potentially poisonous medicines and household chemicals. The first line of defense is child-resistant packaging required by the Consumer Product Safety Commission for many medicines and household chemicals. But this special packaging is "child-resistant," not "child-proof." Therefore, potential poisons must be locked up away from children. And if a poisoning occurs, local poison control centers should be called immediately.

The Poison Prevention Week Council brings together 35 national organizations to distribute poison prevention information to pharmacies, public health departments, and safety organizations nationwide. National Poison Prevention Week has been very effective, but there is more to do. We all should use and properly re-close child-resistant packaging, keep poisonous substances locked up away from children, and keep available poison control center phone numbers next to the telephone. These measures can help prevent tragedies.

To encourage the American people to learn more about the dangers of accidental poisonings and to take more preventive measures, the Congress, by joint resolution approved September 26, 1961 (75 Stat. 681), has authorized and requested the President to issue a proclamation designating the third week of March each year as "National Poison Prevention Week."

Now, Therefore, I, George W. Bush, President of the United States of America, do hereby proclaim the week beginning March 18, 2001, as National Poison Prevention Week. I call upon all Americans to observe this week by participating in appropriate ceremonies and activities and by learn-

ing how to prevent accidental poisonings among children.

In Witness Whereof, I have hereunto set my hand this second 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, 11:47 a.m., March 5, 2001]

NOTE: This proclamation will be published in the *Federal Register* on March 6.

**Letter to Congressional Leaders
Transmitting a Report on
International Agreements**

March 2, 2001

Dear Mr. Speaker: (Dear Mr. Chairman:)

Pursuant to subsection (b) of the Case-Zablocki Act, (1 U.S.C. 112b), I hereby transmit a report prepared by the Department of State concerning international agreements.

Sincerely,

George W. Bush

NOTE: Identical letters were sent to J. Dennis Hastert, Speaker of the House of Representatives, and Jesse Helms, chairman, Senate Committee on Foreign Relations.

**Letter to Congressional Leaders
Transmitting a Report on Continued
Deployment of United States Forces
to East Timor**

March 2, 2001

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

On August 25, 2000, President Clinton provided a report to the Congress regarding the continued deployment of U.S. Armed Forces in support of East Timor's transition to independence. I am providing this supplemental report, consistent with the War Powers Resolution, to help ensure that the Congress is kept fully informed regarding U.S. Armed Forces in East Timor.

As you are aware, U.N. Security Council Resolution 1272 established the United Nations Transitional Administration in East Timor (UNTAET) on October 25, 1999. The UNTAET's mandate includes providing security and maintaining law and order throughout East Timor, establishing an effective administration, ensuring the coordination and delivery of humanitarian assistance, and supporting capacity-building for self-government. The United States currently contributes three military observers to UNTAET. These personnel are assigned to the United Nations pursuant to the United Nations Participation Act (Public Law 79-264), and operate under U.N. operational control.

The United States also maintains a military presence in East Timor that is separate from UNTAET. This includes the U.S. Support Group East Timor (USGET), comprised of approximately 12 U.S. personnel, including a security detachment, which facilitates and coordinates U.S. military activities in East Timor, and a rotational presence of U.S. forces through temporary deployments to East Timor. These rotational presence operations include monthly Navy ship visits and deployments of military medical and engineering teams that conduct humanitarian and civic assistance activities in areas critical to East Timor's citizens. United States forces assigned to USGET and those conducting rotational presence operations operate under U.S. command and control and U.S. rules of engagement. The United Nations has indicated that East Timor has benefited greatly from U.S. military deployments and engagement activities in East Timor and strongly supports the continued U.S. presence there.

At this point, our rotational presence operations are envisioned to continue through December 2001. The duration of our support depends upon the course of events in East Timor. It is, however, our objective to reduce the rotational presence operations, as well as to redeploy USGET, as soon as circumstances permit.

I have authorized the continuation of this action pursuant to my constitutional authority to conduct U.S. foreign relations and as Commander in Chief and Chief Executive. I am providing this report as part of my ef-

forts to keep the Congress fully informed, consistent with the War Powers Resolution. I appreciate the support of the Congress in this action.

Sincerely,

George W. Bush

NOTE: Identical letters were sent to J. Dennis Hastert, Speaker of the House of Representatives, and Strom Thurmond, President pro tempore of the Senate.

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.

February 25

In the afternoon, the President and Mrs. Bush returned from Camp David, MD, to Washington, DC.

February 26

The President announced his intention to nominate Hector V. Barretto to be Administrator of the Small Business Administration.

The President announced his intention to nominate Mel Sembler to be President of the Export-Import Bank.

The President announced his intention to nominate Robert Glenn Hubbard to be a member of the Council of Economic Advisors. Upon confirmation, Mr. Hubbard will serve as the Chairman of the Council.

The White House announced that the President will meet with President Francisco Flores of El Salvador at the White House on March 2.

The White House announced that the President invited Chancellor Gerhard Schroeder of Germany to the White House for a working visit on March 29.

The White House announced that the President invited President Hosni Mubarak of Egypt to the White House for a working visit on April 2.

The White House announced that the President invited King Abdullah II of Jordan

to the White House for a working visit on April 10.

February 27

The White House announced that the President will meet with NATO Secretary General Lord Robertson on March 8.

February 28

In the morning, the President traveled to Beaver, PA, where he met with Rev. Donald W. Wuerl, bishop of Pittsburgh.

In the afternoon, the President traveled to Omaha, NE, and later, he traveled to Little Rock and North Little Rock, AR.

The President announced his intention to nominate Wade F. Horn to be Assistant Secretary of Health and Human Services for Family Support.

The President announced his intention to nominate Kevin Keane to be Assistant Secretary of Health and Human Services for Public Affairs.

The President announced his intention to nominate Lee Sarah Liberman Otis to be General Counsel at the Department of Energy.

The President announced his intention to nominate Peter S. Watson to be President of the Overseas Private Investment Corporation.

March 1

In the morning, the President toured Lakewood Elementary School where he answered questions from first graders in classroom 6, and later, he traveled to Atlanta, GA.

In the evening, the President returned to Washington, DC.

The President announced his intention to nominate Lincoln P. Bloomfield to be Assistant Secretary of State for Political Military Affairs.

The President announced his intention to nominate Viet Dinh to be Assistant Attorney General for Legal Policy.

The President declared a disaster in Washington State and ordered Federal aid to supplement State and local recovery efforts in the area struck by an earthquake on February 28 and continuing.

The White House announced that the President ordered an increase in the Federal

funding to Arkansas for debris removal in ice storm recovery efforts.

March 2

In the afternoon, the President and Mrs. Bush went to Camp David, MD.

The President had a telephone conversation with Prime Minister Costas Simitis of Greece.

The President announced his intention to nominate Chris Spear to be Assistant to the Secretary of Labor on Policy.

The President announced his intention to nominate John B. Taylor to be Under Secretary for the Treasury for International Affairs.

The White House announced that the President will meet with Prime Minister Bertie Ahern of Ireland at the White House on March 16.

**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 February 26

Mark A. Weinberger, of Maryland, to be an Assistant Secretary of the Treasury, vice Jonathan Talisman, resigned.

Submitted February 28

David Aufhauser, of the District of Columbia, to be General Counsel for the Department of the Treasury, vice Neal S. Wolin, resigned.

John M. Duncan, of the District of Columbia, to be a Deputy Under Secretary of the Treasury, vice Ruth Martha Thomas.

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 February 26

Transcript of a press briefing by Press Secretary Ari Fleischer

Statement by the Press Secretary: German Chancellor To Visit Washington

Statement by Press Secretary: Egyptian President To Visit Washington

Statement by Press Secretary: Jordanian King To Visit Washington

Statement by Press Secretary: Meeting With President Flores of El Salvador

Released February 27

Transcript of a press briefing by Press Secretary Ari Fleischer

Statement by the Press Secretary: President To Meet With NATO Secretary General

Released February 28

Transcript of a press briefing by Press Secretary Ari Fleischer

Transcript of a press briefing by Treasury Secretary Paul H. O'Neill, Director of the Office of Management and Budget Mitch Daniels, and National Economic Council Director Larry Lindsey on the President's economic blueprint

Released March 1

Statement by the Press Secretary: Annual Presidential Determinations for Major Drug Producing and Drug Transit Countries

Released March 2

Transcript of a press briefing by Press Secretary Ari Fleischer

Statement by the Press Secretary: Visit by Irish Prime Minister

Statement by the Press Secretary on the appointment of Peter F. Allgeier as Special Assistant to the President and Senior Director for International Economic Affairs, National Security Council

Statement by the Press Secretary on the appointment of John B. Bellinger III as Senior Associate Counsel to the President and Legal Adviser to the National Security Council

Statement by the Press Secretary on the appointment of Torkel L. Patterson as Special Assistant to the President and Senior Director for Asian Affairs, National Security Council

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.