

President Bush and President Kim agreed that the global security environment is fundamentally different than during the Cold War. New types of threats, including from weapons of mass destruction and missiles as a means of delivery, have emerged that require new approaches to deterrence and defense. The two leaders shared the view that countering these threats requires a broad strategy involving a variety of measures, including active non-proliferation diplomacy, defensive systems, and other pertinent measures. They concurred on the importance of consultations among allies and other interested parties on these meas-

ures, including missile defenses, with a view to strengthening global peace and security.

President Bush and President Kim noted that the United States and the Republic of Korea are developing more mature and mutually beneficial bilateral economic and trade relations. Both sides agreed to work together closely to support Korea's economic reform efforts and to address bilateral trade issues. The two leaders endorsed the early launch of a new round of trade negotiations in the WTO.

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

Remarks Prior to a Meeting With Treasury Secretary Paul H. O'Neill and an Exchange With Reporters

March 7, 2001

The President. Maybe everybody ought to try to move over.

Assistant Press Secretary Gordon Johndroe. You all heard the President—scoot over. [*Laughter*]

Q. Thank you, Mr. President.

The President. I'm trying to get you in the picture.

I'm pleased to be here with Secretary O'Neill and the OMB Director, Mitch Daniels, who are reviewing the cashflow numbers of our country. I think the American people will be interested to know that in the first quarter of the fiscal year, we received \$74 billion more than we spent. In spite of the fact that the economy is slowing down, our cashflow coming into the Treasury is significant, which means our taxpayers are being overcharged. That's what that means. And if somebody is overcharged, they ought to get a refund. And I'm calling upon the Congress to give the taxpayers a refund.

Mr. Secretary, thank you for letting me be here. I appreciate you reviewing the

numbers with me. You might want to review them with the people here.

Secretary Paul H. O'Neill. Mr. President, it's a wonderful pleasure to have you in the Treasury Department. The numbers so far this year compare to last year, when we had \$42 billion worth of surplus at this point in the annual cycle. Today we have \$74 billion, as the President said. So we've basically got \$32 billion more cash surplus this year than we did last year at this same time.

And I think it clearly makes the case that we've got a structural tax system that is producing these enormous surpluses now that the President has talked about. And I'm very hopeful tomorrow the House of Representatives is going to deal squarely with the first set of issues of marginal rate returns—marginal tax rates, and we'll be well on our way to getting the Senate to accomplish the same purpose.

The President. I think the point of the meeting and the point the American people need to know is that we've set priorities

and funded the priorities, and there's ample cash to not only fund Government, pay down debt, set aside money for contingencies, but there's ample cash to let people have their own money so that they can spend it and they can decide what to do with it.

It's a fundamental debate taking place here in Washington, DC, is whether or not we increase the size of the Federal Government beyond the basic priorities or whether we trust people with their own money.

I'm hopeful and confident that the House will do the right thing tomorrow, Mr. Secretary. I look forward to taking our message to the people. The people need to hear that we've got a commonsense approach to the budget. And the people need to hear these kind of numbers, Mr. Secretary, that you're talking about—that their hard work is producing more cash for Government than Government needs.

We'll be glad to answer a few questions.

National Economy

Q. Mr. President, does this suggest that the economy is not slowing down? Why is the surplus larger than at this time last year?

The President. It suggests that—first of all, the data shows the economy is sputtering. Secondly, it suggests strongly that the taxpayer is being overcharged. And one of the things this administration is going to do is going to go to the Congress and say, “Here are the priorities: Our priorities are public education, the military, Social Security and Medicare, health care for the working uninsured.” But by having commonsense budgeting, we're going to also show the people that there is ample money for them to be able to spend. And that's going to be very important to make sure the sputtering economy recovers.

Tax Relief Legislation

Q. Mr. President, how many Democrats are in your pocket?

The President. What?

Q. How many Democrats do you have with you right now?

The President. He's a Republican. [Laughter] As many as we can get. This is a long process. And what I look for is the final result. That's what we're focused on. We're focused on this marginal rate cut package that's now in front of the House of Representatives. We feel good about our chances of passing this bill. It would be viewed as a major step toward tax relief and tax reform.

We'll worry about the next package when it comes out of the House, which may be the elimination of the death tax or the marriage penalty. But it's a long process. We've got to get it over to the Senate and get to conference. And we'll be working Members all the way through the process.

Tomorrow I'll be traveling to North Dakota and South Dakota and Louisiana. I'm looking forward to taking this message to the people. The people have got to hear what the Secretary just briefed me on—is that there's cashflow coming into our Treasury, enough cashflow to meet priorities and to fund crucial parts of Government, and at the same time, have meaningful, real tax relief.

Vice President Cheney/Tax Relief Legislation

Q. Are you comfortable, sir, the process is going on in the bipartisan spirit that you called for? And as a second question, did you talk to the Vice President today, and how is he doing? I know he was at the meeting earlier.

The President. He was doing jumping jacks today. [Laughter] No, he's doing great. He is feeling healthy. I talked to him on the way back from—right after I got on the ground from Chicago last night. He felt great. He told me he'd see me first thing in the morning for our national security briefing, and he was there. He looks good, feels good, and that's good news.

Secondly, I am comfortable that we're making good progress on tax relief. Those of you who covered my campaign might remember there was a period of time in which members of the media were saying, "Well, are you ready to abandon your plan?" And I said, "No, I don't think so. I think this is the right thing for America." And all of a sudden, now it's exciting for this administration to know that the Congress will be voting on a crucial element, a meaningful tax relief.

As I understand, there's going to be a—people will have a chance to vote for another version of it, as well, on the floor of the House. And that's fine. That's good and dandy. We're confident and feel good about the chances of our view of how tax relief ought to take place. And we're confident that will be positively received.

I know it's going to be positively received by the American people when they hear that we've got ample cashflow coming into our Treasury to meet important priorities and, at the same time, with fiscal discipline, with setting priorities and funding them, and not letting the size of Government

grow like it has in the past, that we can make the case that someone's mom is going to get their Medicare check, someone is going to get their Social Security check, and at the same time, people are going to get their own money back so they can make the decisions on how to spend—what's best for their families, how to spend their own money.

And that's the fundamental crux of this debate. The crux of this debate is, do we want to explode the size of the Federal Government, do we want to increase these baselines of the Federal Government, or do we want to have fiscal responsibility, commonsense approach to the budgeting, and trust people with their own money? And tomorrow is going to be an important step toward trusting people with their own money.

Q. Thank you.

The President. See you in Fargo.

NOTE: The exchange began at 1:53 p.m. in Secretary O'Neill's office at the Department of the Treasury. A tape was not available for verification of the content of these remarks.

Remarks to Employees at the Department of the Treasury *March 7, 2001*

Thank you. I'm glad the Secretary invited me back. It's always nice to call on your neighbors. And as you know, we're neighbors. I get to look at this majestic building every day, and I was looking forward to the opportunity to come over and thank all the folks who work here.

We're in this deal together. Our job is to make sure that this great country fulfills its promise for everybody. And I know a lot of times people don't give you the proper—your proper due, your proper thanks for working on behalf of the American people. So from the 43d President, thank you

for what you do for America. I appreciate your hard work.

I hope you're as excited about your job as I am—[*laughter*—about mine. [*Laughter*] It's a huge honor to be your President. It really is. And it's a huge honor to be the President of the people. As you know, I'm taking to the road on occasion. Tomorrow I'm going to Fargo, North Dakota, and South Dakota and Louisiana. I decided to drop in on my own home State of Texas for the weekend. But it is so refreshing to be able to take a message to the people that in Washington we listen to you, that