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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release January 31, 2001

PRESS BRIEFING BY
BY ARI FLEISCHER

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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release January 31, 2001

PRESS BRIEFING BY
ARI FLEISCHER

The James S. Brady Press Briefing Room

12:40 P.M. EST

MR. FLEISCHER: Thank you very much for coming. I would like to draw your attention this morning to a new study that has been released by a group called Independent Sector, which is a very large collection of organizations that work for charity in this country. It is a study conducted by the firm of Pricewaterhouse Coopers that analyzed the impact of President Bush's proposal to allow some 80 million Americans to receive a deduction for the amount of money they give to charity.

Currently, 80 million Americans, most of whom are low to middle income, are not allowed to deduct their charitable gifts. This study states that the President's deduction will stimulate an additional \$14.6 billion per year in additional charitable giving, representing an 11 percent increase in donations to charity across the country. That totals \$80 billion over five years and will create more than 11.7 million new givers to charity. The study also points out that the greatest increase in giving will come from low to middle income taxpayers.

Part of the President's vision for this country, part of the compassion that he sees, is empowering individual Americans to do more to

help their fellow citizens in need, and he is very heartened to note the results of this study.

Q Did he commission the study?

MR. FLEISCHER: No, he did not.

Q Who did?

MR. FLEISCHER: Independent Sector.

Q Like who?

MR. FLEISCHER: That's the name of an organization -- the Independent Sector. It's a longstanding organization. I think they represent -- it's an umbrella group that represents, I believe, some 700 charities nationwide.

Q -- also represent -- I mean, is that an estimate of how much the deduction will cost?

MR. FLEISCHER: No, because that represents additional giving. And there is likely to be some type --

Q -- reduction --

MR. FLEISCHER: But when you take a deduction, you don't know if the giver is in the 15 percent bracket, the 28 percent, or what bracket they're in. So you can't make that straight line deduction from that deduction.

Q -- can you give us an estimate of how much it will cost?

MR. FLEISCHER: The cost of it? I haven't seen a taxpayer cost.

Q If the study says it's among mostly middle- and lower-income, wouldn't that tell you it's in the 28 percent to 15 percent tax bracket?

MR. FLEISCHER: Typically that would be right.

Q Did he make a calculation based on that?

Q Ari, on the Lockerbie case, victims, advocates and relatives are not sure if the whole truth ever will be revealed in the case accusing the administrations all along since 1988, that they were lousy in tracking the case to Mr. Gadhafi. What can you say to the skeptics and to those people involved who feel strongly about going much further in the investigation?

MR. FLEISCHER: I think you heard the President address that question this morning, and he expressed his views about the case, and I have nothing to contribute beyond what the President said.

Q Will the CIA ever release those documents that were denied to, presented to the defense in the case?

MR. FLEISCHER: I would refer you to the CIA.

Q Ari, Charles Rangel was at the mike earlier today at the stakeout, and he said tonight's meeting with Bush with the CBC would be one that is difficult. He cited that the CBC will bring up the issue of election reform. What is the White House's view on the fact that they're already saying that it's going to be difficult, and he's doing this to try to bring everybody together?

MR. FLEISCHER: I think that's why the President is having the meeting. He understands that there are certain things that will be easier than others; other things that may not be so easy. But the President has one approach to governing, and he expressed it in his inaugural address, and that is, he is going to be the President for all people in this country, no matter whether they voted for him or not. And this meeting is part of his ongoing outreach effort to members of Congress, including the Congressional Black Caucus.

Q Well, what are his thoughts about election reform in light that many African Americans feel that they were slighted going to polls?

MR. FLEISCHER: The President is open-minded on the question of election reform. And as part of the effort in Congress to enact campaign finance reform, some have suggested also taking a look at election reform. In and of itself, our nation needs to take a look at its election laws, and the President's opinions.

There are important lessons to be learned from the 2000 presidential election, including access to the polls, including the question of military people and having the right to vote, including the effect of different projections of the vote before polling places were closed and whether or not that affected turnout. So there are a series of issues that need to be looked at that affect people from all walks of life, all voters.

Q How long is this meeting supposed to last?

MR. FLEISCHER: Forty-five minutes.

Q Ari, I wanted to ask you, when the President meets with his Cabinet today, who will be representing the Justice Department?

MR. FLEISCHER: The Acting Attorney General of the Justice Department is Eric Holder.

Q He'll be representing at the Cabinet meeting?

MR. FLEISCHER: I anticipate he'll be there, yes.

Q And you will have the two people who were approved yesterday, Gale Norton and --

MR. FLEISCHER: If they've been sworn in, they will be there, and so that's just a technical matter of whether they've been sworn in.

Q Just following up on the Congressional Black Caucus, I wonder how you respond -- Congressman Rangel came out and told reporters that in his meeting with the President, the President indicated that he would be positive, but that if the other side wasn't going to be positive, that he could not be positive as well.

MR. FLEISCHER: I think the President's approach is to always be positive. And I think that he's going to go into this meeting -- his agenda for the meeting is to talk about education, to talk about faith-based programs that he believes are a solution to a lot of society's most intractable problems. He is going to be there to listen, and he looks forward to the meeting.

He knows that there are other items that people want to talk about. That is why he is going to listen. And he is hopeful that the people he is meeting with will also want to listen to him, and I think they will be.

Q Does Congressman Rangel then have the incorrect perception of what President Bush conveyed to him? Because he came out and told reporters --

MR. FLEISCHER: It is possible the Congressman and the President had a conversation that I didn't overhear.

Q Ari, both The Washington Post and The Washington Times reported that in Baltimore, Federal Judge William Nickerson ruled against both the Department of Veterans Affairs and the Justice Department saying this is "censorship on the part of the government and is impermissible under the First Amendment" when these Clinton departments tried to stop the display of the Confederate flag over a Confederate cemetery in Point Lookout, Maryland, and if the President disagreed with Judge Nickerson, you would surely know about it, wouldn't you?

MR. FLEISCHER: I really have not heard anything on that federal case.

Q So he obviously does not disagree with --

MR. FLEISCHER: I haven't had a chance to review the federal case in the question that you're raising.

Q On the Ashcroft nomination, does the President believe that Ashcroft has received unfair treatment, or is the level of scrutiny appropriate, given some of the positions that he has taken in the past?

MR. FLEISCHER: I haven't heard the President say that he has received unfair treatment. I think the President, however -- you heard him -- the President said that in the spirit of bipartisanship, he hopes there will not be delays in the vote on Senator Ashcroft. And I believe that the Senate has heard his message and it appears that the vote will indeed take place this week, which is appropriate.

The President is concerned about enforcing the nation's laws and making sure that we fight crime, that we enforce civil rights laws, that

we start making appointments to the other positions at the Department of Justice. To do all of that, you have to have an Attorney General in place.

Q Does that suggest that, in fact, he disagrees with some top Republicans on Capitol Hill who do, in fact, think that Ashcroft has gotten unfair treatment, that it's been overly partisan and nasty and reminiscent of Robert Bork and all the rest?

MR. FLEISCHER: Again, the President is going to focus and look ahead and he will welcome the final confirmation into his Cabinet. We had tremendous progress. The number of people has been a very encouraging sign about more bipartisanship to come.

There have been some troubling things I think that were done in the confirmation process. For example, the number of written questions submitted to Senator Ashcroft is approximately 400 from the Senate Judiciary Committee; from when Janet Reno was being confirmed, the number of questions, written questions submitted to her were some 30 or 40.

Q So you don't think there were more questions that were important to be asked? Or do you think it was just unfair treatment? I mean, you say the President doesn't think it was unfair --

MR. FLEISCHER: I said, I haven't heard him say it was unfair. I think the President indicated yesterday what he thought about the process and he hopes that it will be concluded and concluded in a manner that our nation can have an attorney general, so that we can get the important work of the attorney general underway.

Q Will you visit West Coast power just for a moment? As I am sure you know, there is a meeting in Portland, Oregon, on Friday with the new Energy Secretary and Western governors. Is that a hand-wringing meeting? And, if not, what is this administration bringing to the table, since now you readily admit that there is nothing the Bush administration can do or is willing to do to help California in its short-term trouble?

MR. FLEISCHER: I would refer you to the Department of Energy for the agenda for that meeting. Obviously, Secretary of Energy Abraham is going, and so I think you would probably get a little bit more information if you talk with him.

It's a meeting with Western governors. Of course, the Governor of California will be at that meeting, as well. And I think when people in the West are to look at this issue they realize that there are regional implications that are both helpful and harmful to people, depending on what decisions are made. There are other states outside California that are going to be -- which will experience difficulties in shipping all their energy to California. And so there are regional issues that need to be talked about, and that's why I think the Secretary views it as a constructive meeting.

Q Just as a follow-up, if I may. Will you again state for us what you stated before from that podium, in effect that there is nothing else the federal government can do or is willing to do to help California with its short-term energy problem?

MR. FLEISCHER: Well, I haven't indicated that. What I have indicated is the President has created an energy working group that is being chaired by the Vice President. That group consists of several Cabinet Secretaries, including the Secretary of Energy, and they are going to review what steps the federal government may be able to take. But in addition, they're charged -- and this is their broad charge and this is what they will focus a lot on -- is the broader national energy security policy.

But if there are short-term things we can do for California, this administration will be pleased to look at them. But our focus remains that the best way to help California to help itself is to allow California to do what they are doing, which is to enact the legislation that they're working diligently on now.

Q Ari, on the tax cut, even in the face of the new CBO projections, the House minority leader today said that the President's plan for a tax cut "threatens our prosperity and could return us to the big budget deficits of the 1980s." For the spirit and sake of bipartisanship on the Hill, would the President consider submitting to Congress a tax package that is smaller than the one he campaigned on?

MR. FLEISCHER: What really threatens the prosperity of our nation and the size of the surplus is more spending by politicians in Washington. And to underscore that, CBO -- the Congressional Budget Office, which is non-partisan, today came out with their new estimates indicating that the surplus would be \$1 trillion larger than they anticipated last year.

They predicted \$5.6 trillion surplus over the next 10 years, \$3.1 trillion of that will be available for purposes other than Social Security.

The President's tax cut is -- I read in the papers, are estimated at \$1.6 trillion over the next 10 years. The reason I walk you through that is, the biggest change, or one of the biggest changes from when the Congressional Budget Office issued its last projection in July.

Since July, the CBO notes that Congress and the previous administration agreed to spend \$561 billion in new spending over the next 10 years, while they agreed to cut taxes by \$37 billion over the next 10 years.

The existence of a growing surplus can be a mixed bag. If it's used wisely and properly, if it's returned to the taxpayers who created it, then President Bush thinks we'll be on our way to a tax cut. If it's used by the politicians to increase the size of the federal government to spend more money, as has been done in the past, then the size of the surplus risks our prosperity and risks being spent on more government.

Q But the point is that there are divisions that are becoming quite apparent on Capitol Hill. Democrats have not favored the size of your tax cut; Republicans do, and they're going to butt heads over it. The President has been trying to build this spirit of bipartisanship, and I'm wondering if he's willing to go to the mat on the tax cut that he

campaigned on, or if he's willing to compromise and come more toward the Democrat side.

MR. FLEISCHER: The President stressed very directly in his meeting today -- bipartisan, with the Ways and Means Committee members and with the Senate Finance Committee members -- the importance of enacting it, and that he will fight for the tax cut that he ran on, which includes marginal, across-the-board rate cuts, reduction of the marriage penalty, elimination of the death tax, giving charitable deductions to people who don't itemize their taxes. And he stressed that the biggest risk we face is that the surplus will be spent.

Certainly, when you look back at the last several Congresses and the actions of the previous administration, the surplus is more vulnerable to spending than anything else. And if we don't cut taxes, the surplus will be spent. It's another good reason to cut taxes, in the President's opinion.

Q So he's saying, my way or the highway?

MR. FLEISCHER: No, as always, the President will work with the Congress. But he's going to fight for his tax cut.

Q Ari, on the tax cut, in the budget, the CBO numbers are predicated on increasing spending at the rate of inflation. With your proposal for a military tax pay raise, a prescription drug benefit, is the President committed to increasing spending only at the rate of inflation and no more?

MR. FLEISCHER: Let me note that in the last three years, federal spending on domestic discretionary programs, which are those programs that Congress has the option to fund every year and they vote on every year, increased at a 6-percent rate each and every year, in excess of inflation.

One of the things I think you will hear the President discuss with his Cabinet today is the importance of holding the line on spending. And I think you may hear more about that from the President himself. So I would urge you to be attentive to the Cabinet meeting.

Q What does holding the line on spending mean with regard to -- is it the rate of inflation, less, more?

MR. FLEISCHER: I think that's something the President will discuss.

Q That's what the Democrats say the President ought to do, hold the line on spending.

MR. FLEISCHER: Then we should have agreement on spending and there should not be excess spending.

Q Well, that's nice to say, but they say that, first of all, the tax cut is ultimately larger than you say it is, and that all the programs that you want to do, from faith-based to missile defense to prescription drugs wind up costing more than there is room for.

MR. FLEISCHER: Let me make a fundamental point about what President Bush believes -- and there's a new sheriff in town. Cutting taxes is not, and can never be, government spending. Cutting taxes means people keep the money that they make and less money comes to Washington, so Washington can't spend it in the first place. It's a different approach than many people have had in this town, and it's reflective of a new President who has a different philosophy than what Washington has been used to for many years that allowed policies to take place where taxes were high and, therefore, spending increased.

Q But you're not answering the question.

MR. FLEISCHER: Well, you indicated that that's akin to spending. When you cut taxes, that is not government spending.

Q Their point is you want a big tax cut and you want a lot of new spending, too, and there is just not enough to do it.

MR. FLEISCHER: Again, the numbers that the Congressional Budget Office, which is non-partisan, came out with today are the surplus is \$3.1 trillion for non-Social Security purposes. The President's proposed tax cut is by some estimates \$1.6 trillion over 10 years. It fits in and it fits in well.

Q On the tax cut, for the last two days we've heard members of Congress, both Republicans and Democrats, suggest that this might have to be done, as one put it today, in waves. And even Democrats seem to be saying, if that is so, the first wave should be across-the-board tax cuts. How much is the President hearing that? Do you see any consensus at all in the meetings he's having with members of Congress on any way to proceed here, even if it's only part of the way?

MR. FLEISCHER: The President is amenable to ideas for how to move the tax cut through, and if one of those ideas was to have the marginal income tax rate reductions come first, the President is open-minded on that question. I think, in fact, given the softness in the economy, given the importance of marginal income tax rate cuts, I think that's something the President would look favorably upon.

Q You're saying, in fact, if that is a movement -- and you had indicated earlier that there was a lot of pressure for that in the House -- we've got two senators of both parties saying that they might look at that and that might be a better way to go -- it sounds as if the White House is ready then to separate out across-the-board tax cuts and do it more quickly because there seems to be a growing consensus for it.

MR. FLEISCHER: Well, keep in mind you have several steps in a rather lengthy process, and the process begins when the President sends his tax plan up to the Hill. And that will be one comprehensive plan that the President will send. At that point, then it is a matter of the congressional prerogative. All revenue bills originate, of course, in the Ways and Means Committee in the House of Representatives. And the tradition at least in the last several years has been for the House to break up its tax legislation into incremental steps. The Senate, because they have different rules, sometimes it does that, sometimes they don't.

But we will be respectful of the congressional prerogatives. What the President is going to focus on is the bottom line and will the tax cut get enacted into law so the American people can get the relief they deserve.

Q On the President's priorities, it sounds like what you're saying is that the President believes our budgetary and, thus, long-term economic outlook is so rosy we can have this significant tax cut, build the national missile defense, provide prescription drugs, reform Social Security, and we can have it all.

MR. FLEISCHER: Let me repeat the numbers from the nonpartisan Congressional Budget Office. They project that even with a slowing down short-term economy, that the surplus will be \$5.6 trillion over the next 10 years; 2.5 trillion of that is going to be reserved for Social Security; and that leaves \$3.1 trillion for other vital government programs such as increasing funding for education, for a missile defense, for other initiatives.

The President's tax cut is \$1.6 trillion. Now, our education system still is good enough in this country that you can see that if the surplus is \$3.1 trillion and the tax cut is \$1.6 trillion, there is plenty of room for this tax cut.

Q But you rely on the projections. And I guess what you are saying is the President has a very sunny -- even though we are in a slowdown, even contraction -- the President has a very sunny, very rosy outlook for the economy in the long-term.

MR. FLEISCHER: Absolutely not. Absolutely not.

Q How does he afford that if he doesn't?

MR. FLEISCHER: Because the word "rosy," the word "sunny" in this town is indicative of something very different. And what has happened is the Congressional Budget Office, which, again, is nonpartisan, their projections are right in line with the blue chip economic forecasters. I wouldn't describe them as optimistic or pessimistic. I would describe them as close to accurate as the estimating business can be.

Q He's more bullish.

MR. FLEISCHER: I think it's just accurate projections of the economy to the best degree government estimators can do.

And one other point out, for the last -- '97, '98, '99, 2000 and now 2001 -- the last five years running, all those estimates have been revised upward. So, if anything, these projections are -- on the last five-year basis, been historically conservative.

Q One of the problems with the surplus, though, is more than two-thirds of it comes in the second five years, not in the first five. How do you deal with that?

MR. FLEISCHER: That always gets addressed as a matter of phase-ins for the tax cuts and the manner in which you put your programs

into effect. But there is a real surplus in existence now.

Q I think it was Senator Conrad earlier at the stakeout, he was saying there is significant uncertainty in the CBO numbers. His perception is that the six-year variants could be anything from a deficit to a trillion-dollar surplus. And he is saying that, with that uncertainty, we need to be a heck of a lot more cautious than doing a \$1.6 trillion tax cut.

MR. FLEISCHER: And I think no matter what business you're in, whether you're in the government or you're in the private sector or you're in the nonprofit sector, that when you prepare a budget, you prepare your budget based on the most reliable, most accurate, most recent information and you proceed accordingly. There is always room for variance in budgets. We will work with the best, most accurate, most reliable forecasts.

Q There are reports -- I don't know if they are accurate or not -- that India really wanted the U.S. to low key in the aid. It has not asked for massive aid, even though the death toll has gone up so devastatingly. Is that true?

MR. FLEISCHER: As you know, the President spoke with the Prime Minister and we received a request from the Indian government for aid and we are working with the Indian government.

Q But did they ask for a very low-key approach?

MS. COUNTRYMAN: I think we offered and they accepted our offer. It was initiated by us.

MR. FLEISCHER: I'm sorry, that's correct. I've got that backwards. We offered and they accepted the aid.

MS. COUNTRYMAN: AID has pledged \$5 million; so far, \$2 million has been spent.

Q About the tax cut again, if I could. When you look at the President's core program of reducing marginal rates and inheritance and marriage and a few other items, all of your initiatives, to date, education, faith-based, have also included tax incentives. The energy proposal is making its way on the Hill and has tax incentives. Isn't there a good chance that the aggregate cost of a tax cut proposal will be much larger than \$1.6 trillion?

MR. FLEISCHER: And keep in mind that in all our estimates during the campaign for those other provisions, we built those into our budget. And so, to avoid a double count, if you want to suggest that those should be considered as part of a tax plan, you would have to subtract it from the spending estimates from which those were contained.

Let me give you an example. The President, in December of 1999, proposed what you just described accurately as his tax cut proposal. In the spring of 2000 he proposed a health care tax credit to help low-income Americans get access to health insurance -- a \$2,000 tax credit.

If you look at all the budget estimates we've prepared to show that -- spending and tax decision the President made, fit within the surplus, you will find those costs anticipated and built in, in our health care proposals.

So if you were to attribute that cost to the tax cut, you would have to subtract it from the health care proposal -- again, illustrating the point there is plenty of room with a surplus of this size for the President's priorities, and to pay down the debt. Keep in mind that the \$2.5 trillion that would be set aside for Social Security automatically pays down the debt, and in the last three years, the Congress has paid down the debt to the tune of \$600 billion.

Someone new? Go ahead.

Q Ari, on the issue of health care, Senator Jeffords and a host of other senators have actually sent a letter, or sent in a letter to President Bush to urge him to act on the prescription drug reimportation bill. What exactly is the Bush administration -- how do they plan to act on this letter?

MR. FLEISCHER: Let me take that question and get back.

Q Ari, at the meeting today with the members of the Finance and the Ways and Means Committee, was there any more discussion about compromise on how to proceed with Medicare reform and prescription drugs, and particularly -- I'm particularly interested in if there was any discussion about private versus public funding.

MR. FLEISCHER: The President did talk about prescription drugs. You had Chairman Thomas there, you had Senator Breaux there, two of the cochairs of the previous congressional commission, that did arrive at a very strong consensus recommendation on how to deal with Medicare, indicating that there is bipartisanship.

And the President indicated that if that was any guide -- and he did not endorse each and every part of the Breaux-Thomas approach -- that if that was any guide, that there are ways that have been shown to reform Medicare that don't come with a very heavy price tag; that as a result of the decision that was made, this can be done in a manner that is a modern reform and update of the Medicare structure that doesn't come at a substantial price tag, even with granting prescription drug coverage. So the President pointed that out during the course of the meeting.

Q Any discussion about the prescription drug proposal itself and how that might be compromised?

MR. FLEISCHER: Nothing that I remember.

Q The President's tax plan has not really grown that much since last year, although the surplus has. Does the new surplus number from the CBO open the door for him to consider other things, such as capital gains and small business tax relief?

MR. FLEISCHER: Well, his focus will be on enacting the plan that he proposed. That is what he is going to try to get through the

Congress. Obviously, Congress may take a look and decide there are some things that they would like to add to it or do differently, and the President will review it at the appropriate time. But from his point of view, he wants to address the needs of people before he focuses on any of the tax needs of business or any of the other interests that are weighing in.

Q So he's not looking beyond the campaign program at all right now?

MR. FLEISCHER: Well, again, this is the beginning of a process in which the President will submit his budget and his tax plan to the Congress, and he will work closely with the Congress thereafter. But the core of it, what the President will fight for are those proposals that he ran on, including the marginal income tax rate cuts, reducing the marriage penalty, eliminating death tax, et cetera.

Q Can I ask two Persian Gulf questions? The President and Colin Powell have made some rather tough statements today -- of course, the President on Libya; the other day Colin Powell on Iraq. If neither of these countries comply, what's the next step? Obviously, we don't expect they roll over and do whatever we want them to do.

MR. FLEISCHER: I'm not going to speculate about next steps and other action that may be premature. But as the President indicated this morning, it's important that we keep the pressure on Libya to make certain that they compensate the victims of the flight, and that they accept responsibility.

Q Ari, the Air Transport Association asked the Bush administration to speed up spending of the Aviation Trust Fund to improve the air traffic controlling system. Are you aware of this request --

MR. FLEISCHER: Let me refer you to DOT on that.

Q Ari, there are reports that the rent on President Clinton's office space in Manhattan, \$700,000, more than all other former Presidents combined. My question is, is this an appropriate use of taxpayer money?

MR. FLEISCHER: I've heard no discussion about that here at the White House.

Q On Ashcroft, could I ask you -- did Senator Ashcroft get clearance from the White House to submit a statement last week to the gay Log Cabin Republican organization, and does the President recognize that that organization is apparently joining the team to help secure the nomination?

MR. FLEISCHER: I would have you address that to Mindy Tucker. I'm not aware of each and every step along that line.

Q Ari, on the Cabinet meeting, can you give us an idea as to how the President plans to work with his Cabinet members now? Is he going to meet regularly with the Cabinet and all? Are they going to be like an advisory board to him? How is this relationship going to work?

MR. FLEISCHER: I don't think that the President has established a firm order of meetings. I think he will just let events develop as the President sees fit. But I think you're going to see, in typical Bush style, a very collegial operating atmosphere involving the Cabinet and the White House staff. There is just -- in all the meetings that we participate in, there's a healthy mix of Cabinet, staff and -- and the way President Bush did things in Texas, he would find the best, smartest minds and have people work things out and work them out together.

So I think you just have to let it evolve, and we'll just suspend on making any judgments. And I think different Cabinet Secretaries will proceed in different ways to some degree as well.

Q Ari, the Black Caucus said that only the leaders were originally invited to the White House, but they preferred that the entire Caucus --

MR. FLEISCHER: No, it's everyone.

Q Did the White House originally invite only the leadership? Did they prefer a smaller meeting in the beginning?

MR. FLEISCHER: No, it was everyone. From the very first, it's been everyone.

Q Ari, as a follow-up to that, we saw the President go to a predominantly African American school last week for his education plan. I think it was a predominantly African American church on Sunday. Is this part of any effort to reach out to African Americans who overwhelmingly voted for Al Gore?

MR. FLEISCHER: I think, Kelly, that it's a reflection of the ideas that the President holds, and that's why his visit to this D.C. school and the Fishing School that he visited yesterday. But there is an element of reaching out in all the activities the President undertakes. And so, I leave you with that.

Q Just a quick follow-up. Does he have any specific plans to mark Black History Month?

MR. FLEISCHER: Let me review that and get back.

Q Ashcroft. Apparently, there is a letter that's The National Baptist Convention, one of the largest African American religious organizations, they're saying that this letter is fraudulent. January 16th, it was submitted in support of Ashcroft, and now the organization is saying it's fraudulent. Is President Bush aware of this controversy? And what are you saying about the fact that the National Baptist Convention is withdrawing its support of Ashcroft?

MR. FLEISCHER: Let me refer you to Senator Ashcroft's spokeswoman for the transition.

Q A question on the meeting with Ways and Means and Finance today. Did the question of phase-ins come in?

MR. FLEISCHER: Not that I remember. No, I don't think so.

Q Or reworking the death tax at all --

MR. FLEISCHER: Not that I remember.

Q Was there any discussion of specifics about the specifics of the plan and how it might change, along the lines that Bush had talked about?

MR. FLEISCHER: No, there was no discussion about it in that level of detail that I recall, Bob.

Q Ari, in regard to two of his Republican senators, does he agree with the Senator from Texas who proposed a uniform time to close the polls on federal elections at 9:00 p.m. Central? Does he agree with that?

MR. FLEISCHER: I think that's one of the issues the President is open-minded about when people talk about election reform. It is one of the ideas that has surfaced, and I think that's something we want to have looked into.

Q Does he agree or disagree with Senator Lott's statement that the pardon of Marc Rich is outrageous and should be investigated, and would he be opposed to a subpoena for the pardoner?

MR. FLEISCHER: As the President said, that would not be a pardon that he, himself, would have issued. And as far as the Executive Branch is concerned, we consider the matter closed for the Executive Branch.

Q You wouldn't think that if they gave him a subpoena, it would be wrong?

MR. FLEISCHER: I'm not going to speculate on hypotheticals.

Q Ari, one of the things we heard about defense at the stakeout was that the President had told the legislators that he would not be increasing defense spending as much as they thought, that we would be surprised at the numbers on defense spending in the first year, awaiting a complete review of defense. Is that, in fact, what the President said, and is he, in fact, intending not to increase defense spending as much as anticipated?

MR. FLEISCHER: That is substantially correct. What the President said during the meeting, what he has said on other occasions, is he is directing the Secretary of Defense to undertake a force structure review to determine what the long-term strategic needs are for the Pentagon. And in the first-year budget that will be submitted to the Congress for the Pentagon, it will be a lean budget.

It will reflect the President's campaign promises to increase the pay for the military and to improve housing for the military. But, beyond that, the President thinks the wise approach to take is for the Pentagon to figure out long-term what its strategic needs are before we simply start to throw money in the direction of defense. I think some people may

be surprised to hear a conservative Republican talk like that. But that's the view, assess the long-term needs before making a money decision.

Q Any idea of base closures?

Q Ari, can you tell us about this screening tomorrow night, the Thirteen Days?

MR. FLEISCHER: The President will be hosting a movie night tomorrow night for the show, Thirteen Days, in the White House theater, and he is inviting over several of the Kennedys to participate in watching it with him, and other friends of his.

Q Is there a particular motivation, or just to have a good time?

MR. FLEISCHER: Obviously, the movie Thirteen Days is about one of the most notable and important events in modern history, the Cuban missile crisis, which, of course, involved the administration of former President Kennedy. So I think the President thought it would be a fitting tribute to the Kennedy family to invite them over to watch it.

Q Are only Democrats coming?

Q And which Kennedys?

MR. FLEISCHER: Well, you are presuming the only friends the President has are Democrats. He does have a few Republicans. (Laughter.) We will have a policy that the President's friends that he invites to the theater or his family members that he invites to the theater, that would be private information for the President.

Q Is there a significance that it comes on the 13th day of business of this administration?

MR. FLEISCHER: Don't tell anybody, but it's a sheer coincidence.

Q Ari, the President is going to a prayer meeting tomorrow. There may be some international figures. Yesterday you said he doesn't intend to speak to any of them. How long is he going to spend at the meeting, and will he --

MR. FLEISCHER: Actually, I did not say that he does not intend to speak to any of them. That would be rather unfriendly. (Laughter.) But no meetings are planned.

Q Can you give us a readout on what he plans to say at this meeting?

MR. FLEISCHER: Don't have that yet, Ron.

Q How long will he spend there?

MR. FLEISCHER: We will be putting out the schedule tomorrow or a little later this evening.

Q At the meeting this morning, was the idea of cutting the FICA tax raised at all? And what does the President think about the arguments made by Congressman Rangel and others to cut the FICA tax?

MR. FLEISCHER: I don't believe that was raised this morning. I didn't hear it if it was. The President believes that the way to help people who pay taxes at the bottom end of the economic scale is to cut the 15 percent across-the-board rate down to 10 percent and to double the child credit from \$500 to \$1,000. Those two changes will disproportionately help low-income Americans and that's why the President made those two proposals.

Q Ari, a group of bipartisan senators headed by Senator Dodd introduced yesterday legislation calling to suspend -- of two years the certification of drugs -- other countries. What is the position of the Executive Branch on that legislation?

MR. FLEISCHER: Let me take that question and see if we can get back on it.

Q Ari, coming back to defense, is the President willing to consider the idea of more base closures in the years ahead?

MR. FLEISCHER: I think that those type of determinations will await a force structure review that will be taken by DOD. And that should not lead anybody to believe that will be part of their review, but they need to first take a look at what the review will entail. When the President announced it, he talked about modernizing the military, making the military lighter and more lethal and developing the next generation of weapons.

Thank you.

Oh, let me -- we must resume. Thank you and I'm glad somebody pointed this out and reminded me. Today is a very important day at the White House for other reasons. And I would like to note that today is Clyde Robinson's retirement day. Clyde, as many of you know, has been working for NBC here for more than 30 years. He is the former manager of a Safeway store and then has been with NBC.

And he is known around here -- I am new here, but I already know that he is known around here as the Mayor of the White House. (Laughter.) So I would like to just congratulate Clyde on his retirement. It's a wonderful day. (Applause.) Come up, Clyde.

MR. ROBINSON: Thank you very much. (Applause.)

MR. FLEISCHER: Would you like to speak?

MR. ROBINSON: I have a letter -- no. (Laughter and applause.)

Q They won't fire you! (Laughter.)

Q Have you made any kind of calculations to see how much better Clyde's retirement would have been under the private sector? (Laughter.)

MR. FLEISCHER: Thanks, Clyde. Congratulations, Clyde.

There's a cake here and everybody's invited to munch -- and champagne. We need to make that a regular event here in the White House. (Laughter.)

END

1:20 P.M. EST

#8-01/31

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