

Moynihan and Hollings are saying no tax cut. The White House...

SEN. MOYNIHAN: Or \$300 billion, which the president has proposed, which is reasonable.

SEN. CHAFEE: I think we are and I think it's a shame. I think we ought to get together and—the leadership from both sides get together and get something we can agree to. That's why Senator Breaux and I have come up with a \$500 billion tax cut over 10 years. That's something can be achieved. It makes sense. We're not in concrete over that. If it's \$450 billion or \$500 billion, whatever it is. But right now I think it's a shame that there is a train wreck. We passed something on the floor. The president's announced he's going to veto it. His veto will be sustained. In September, we'll be right back where we are now.

MR. RUSSERT: Can the president buy a \$400 billion tax cut?

MR. SPERLING: Tim, I think we're looking about it the wrong way. First things first, a family doesn't decide how big a vacation they're going to have and then hope they have enough left for education, health care and the rent.

MR. RUSSERT: But this is the real world, Mr. Sperling. Could he buy a \$400 billion tax cut?

MR. SPERLING: I have not seen how you can do that much so far...

SEN. MOYNIHAN: He won't. He has told us he will not.

MR. SPERLING: Let me tell you why, though.

MR. RUSSERT: Do you agree with Senator Moynihan?

MR. SPERLING: Let me tell you why I believe that you cannot do it at that amount. Right now, we're watching the Republicans twist themselves in pretzels with gimmicks to try to meet just this year's caps. Yet even Senator Chafee said on the floor on Thursday, that the Republican budget assumes \$600 billion below inflation and spending cuts. If you just look at the inability to handle this year, we know that they cannot sustain those level of cuts. So I think the first thing you do is make sure you have enough for Medicare and Social Security, for our national defense, for our basic core government. Then you see how much is left. We have not seen a budget that goes over \$295 billion that successfully meets that task of fiscal responsibility.

MR. RUSSERT: We have to take a quick break. We'll be right back with more of our discussion and talk a little politics right after this.

(Announcements)

MR. RUSSERT: We're back.

A couple quick political questions. Senator McConnell, will Richard Holbrooke be voted on to be ambassador of the U.N. soon?

SEN. McCONNELL: Yes, yes. Dick Holbrooke is well-qualified, and I think he'll be approved. MR. RUSSERT: Rick Lazio versus Rudy Giuliani: Will we have a Republican primary for the Senate in New York?

SEN. McCONNELL: I do not think there'll be a Republican primary. I think it will be avoided, and I hope we'll have the answer to that in the next month or so.

MR. RUSSERT: And who will be the candidate?

SEN. McCONNELL: It's not clear yet. I think Governor Pataki is going to be the major player in making that decision.

MR. RUSSERT: He seems to like Rick Lazio better than Giuliani?

SEN. McCONNELL: Well, he'll need to make that decision. I think people are going to honor his choice.

MR. RUSSERT: Are you confident that Hillary Clinton's going to run?

SEN. McCONNELL: I hope she does. I think it's going to be a great campaign. She's been having her listening tour, and her polls have been tracking down as she listens. And we're looking forward to what is going to be the biggest Senate race in the history of the world.

MR. RUSSERT: Senator Moynihan, you confident that Hillary Clinton's going to run for the Senate?

SEN. MOYNIHAN: I am. And I agree with my friend Mitch, it's going to be one of the greatest Senate races in the history of the world.

MR. RUSSERT: Rudy Giuliani...

SEN. CHAFEE: Big Senate shoes to fill.

MR. RUSSERT: "Big Senate shoes to fill," says Senator Chafee. Do you prefer Giuliani or Lazio in the Republican Party, Senator? What would make a bigger race?

SEN. MOYNIHAN: I don't—well, it'd be great if they took a pass and said, "Why doesn't"—you know, "It's time we had a real lady in New York."

MR. RUSSERT: Senator Hollings, big controversy in your state, flying the Confederate flag over the state Capitol. Some people want to take it down. The NAACP said they're going to boycott all tourism in South Carolina. Where do you come down on the issue?

SEN. HOLLINGS: Well, I've come down long ago to take it down. It's really provocative. It's a bad symbol at this particular point in history. It's been used by the extremists on the other side, and it should be taken down.

MR. RUSSERT: Gene Sperling, the first lady, thus far, has separated herself from the president's position on dairy control supports, on welfare reform, on health care, on the Middle East. Do you expect more of that repositioning of Hillary Clinton?

MR. SPERLING: All I can tell you is that I've worked with her for seven years. She's one of the smartest, most-dedicated and disciplined people I've ever met. And I personally hope she runs, because she'd be one heck of a senator.

MR. RUSSERT: That has to be the last word. Gene Sperling, Senator John Chafee, Mitch McConnell, Pat Moynihan, Fritz Hollings, thank you all.

We'll be right back with more of MEET THE PRESS, right after this.

(Announcements)

MR. RUSSERT: Coming up on "Dateline" tonight.

MS. JANE PAULEY ("Dateline"): Thanks, Tim. What would you do for a friend? Would you risk your life? Meet one man who went to war in his buddy's place. Tonight at our new time, 7, 6 Central on "Dateline." Tim.

MR. RUSSERT: Thank you, Jane Pauley. Start your day tomorrow on "Today" with Katie and Matt, then the "NBC Nightly News" with Tom Brokaw.

That's all for today. We'll be back next week. If it's Sunday, it's MEET THE PRESS

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