

tu Presidente—su Presidente es un amigo mio.

Q. Thank you very much, Mr. President.
The President. Si, thank you.

NOTE: The interview was taped at 10:54 a.m. in the Map Room at the White House. In

his remarks, the President referred to President Francisco Flores Perez of El Salvador. This interview was released by the Office of the Press Secretary on March 22. A tape was not available for verification of the content of this interview.

Remarks to the United Nations Financing for Development Conference in Monterrey, Mexico *March 22, 2002*

Good morning. We meet at a moment of new hope in an age-old struggle, the battle against world poverty. I'm honored to be with so many distinguished leaders who are committed to this cause. I'm here today to reaffirm the commitment of the United States to bring hope and opportunity to the world's poorest people and to call for a new compact for development defined by greater accountability for rich and poor nations alike.

I want to thank Vicente Fox, *el Presidente de Mexico*, and the people of Monterrey for such grand hospitality. I want to thank Kofi Annan for his steadfast leadership. And I want to thank the distinguished leaders who are here for your hospitality as well.

Many here today have devoted their lives to the fight against global poverty, and you know the stakes. We fight against poverty because hope is an answer to terror. We fight against poverty because opportunity is a fundamental right to human dignity. We fight against poverty because faith requires it and conscience demands it. And we fight against poverty with a growing conviction that major progress is within our reach.

Yet, this progress will require change. For decades, the success of development aid was measured only in the resources spent, not the results achieved. Yet, pouring money into a failed status quo does little

to help the poor and can actually delay the progress of reform. We must accept a higher, more difficult, more promising call. Developed nations have a duty not only to share our wealth but also to encourage sources that produce wealth: economic freedom, political liberty, the rule of law, and human rights.

The lesson of our time is clear: When nations close their markets and opportunity is hoarded by a privileged few, no amount—no amount—of development aid is ever enough. When nations respect their people, open markets, invest in better health and education, every dollar of aid, every dollar of trade revenue and domestic capital is used more effectively. We must tie greater aid to political and legal and economic reforms. And by insisting on reform, we do the work of compassion.

The United States will lead by example. I have proposed a 50-percent increase in our core development assistance over the next 3 budget years. Eventually, this will mean a \$5 billion annual increase over current levels. These new funds will go into a new Millennium Challenge Account, devoted to projects in nations that govern justly, invest in their people, and encourage economic freedom. We will promote development from the bottom up, helping citizens find the tools and training and technologies to seize the opportunities of the global economy.

I've asked Secretary of State Powell, Secretary of Treasury O'Neill to reach out to the world community to develop clear and concrete objective criterion for the Millennium Challenge Account. We'll apply these criterion fairly and rigorously.

And to jump-start this initiative, I'll work with the United States Congress to make resources available over the 12 months for qualifying countries. Many developing nations are already working hard on the road—and they're on the road of reform and bringing benefits to their people. The new compact for development will reward these nations and encourage others to follow their example.

The goal of our development aid will be for nations to grow and prosper beyond the need for any aid. When nations adopt reforms, each dollar of aid attracts \$2 of private investments. When aid is linked to good policy, 4 times as many people are lifted out of poverty compared to old aid practices.

All of us here must focus on real benefits to the poor, instead of debating arbitrary levels of inputs from the rich. We should invest in better health and build on our efforts to fight AIDS, which threatens to undermine whole societies. We should give more of our aid in the form of grants, rather than loans that can never be repaid.

The work of development is much broader than development aid. The vast majority of financing for development comes not from aid but from trade and domestic capital and foreign investment. Developing countries receive approximately \$50 billion every year in aid. That is compared to foreign investment of almost \$200 billion and annual earnings from exports of \$2.4 trillion. So to be serious about fighting poverty, we must be serious about expanding trade.

Trade helped nations as diverse as South Korea and Chile and China to replace despair with opportunity for millions of their citizens. Trade brings new technology, new ideas, and new habits, and trade brings ex-

pectations of freedom. And greater access to the markets of wealthy countries has a direct and immediate impact on the economies of developing nations. As one example, in a single year the African Growth and Opportunity Act has increased African exports to the United States by more than 1,000 percent, generated nearly \$1 billion in investment, and created thousands of jobs.

Yet, we have much more to do. Developing nations need greater access to markets of wealthy nations, and we must bring down the high trade barriers between developing nations themselves. The global trade negotiations launched in Doha confront these challenges. The success of these negotiations will bring greater prosperity to rich and middle-income and poor nations alike. By one estimate, a new global trade pact could lift 300 million lives out of poverty. When trade advances, there's no question but the fact that poverty retreats.

The task of development is urgent and difficult. Yet, the way is clear. As we plan and act, we must remember the true source of economic progress is the creativity of human beings. Nations' most vital natural resources are found in the minds and skills and enterprise of their citizens. The greatness of a society is achieved by unleashing the greatness of its people.

The poor of the world need resources to meet their needs, and like all people, they deserve institutions that encourage their dreams. All people deserve governments instituted by their own consent; legal systems that spread opportunity, instead of protecting the narrow interests of a few; and the economic systems that respect their ambition and reward efforts of the people. Liberty and law and opportunity are the conditions for development, and they are the common hopes of mankind.

The spirit of enterprise is not limited by geography or religion or history. Men and women were made for freedom, and prosperity comes as freedom triumphs. And that is why the United States of America

is leading the fight for freedom from terror. We thank our friends and neighbors throughout the world for helping in this great cause. History has called us to a titanic struggle whose stakes could not be higher, because we're fighting for freedom itself. We're pursuing great and worthy goals to make the world safer and, as we do, to make it better. We will challenge the poverty and hopelessness and lack of education and failed governments that too often allow conditions that terrorists can seize and try to turn to their advantage.

Our new approach for development places responsibility on developing nations and on all nations. We must build the institutions of freedom, not subsidize the fail-

ures of the past. We must do more than just feel good about what we are doing; we must do good. By taking the side of liberty and good government, we will liberate millions from poverty's prison. We'll help defeat despair and resentment. We'll draw whole nations into an expanding circle of opportunity and enterprise. We'll gain true partners in development and add a hopeful new chapter to the history of our times.

May God bless you all.

NOTE: The President spoke at 9:35 a.m. at the Cintermex Convention Center. In his remarks, he referred to Secretary-General Kofi Annan of the United Nations.

The President's News Conference With President Vicente Fox of Mexico in Monterrey *March 22, 2002*

President Fox. Good afternoon. Thank you very much. Yes, in fact, it has been a very productive meeting, a meeting where we have touched upon three subjects, three chapters. One deals with what we have called the border alliance, intelligent borders, and the smart border initiative.

The purpose is, firstly, to introduce the safety factor and hold it as an important priority and, at the same time, with the same emphasis, to seek for efficient borders, customs that are efficient as well, for an expeditious flow both of people, merchandise, products. And in this sense, what we seek is for those using these crossings, which are hundreds of thousands of people every day, to do so with that efficiency we are talking about. Likewise, within this same sense, we talked about a program to modernize, technologically speaking, our borders. And this would promote that efficiency.

Among other points within this same category, we have also spoken about opening

in airports that have high traffic, both in the United States and Mexico, a line to take care of the Mexicans and Canadians coming into Mexico and, in the case of Mexico, taking care of U.S. citizens and Canadian citizens.

The second topic is what we have called the Partnership for Prosperity, where there are plenty of topics but the specific purpose is to generate opportunities for advancement, opportunities for income, and mainly in communities with high migratory rates in Mexico. For this purpose, we have spoken of joining efforts to facilitate resources for micro-, small-, and medium-sized companies, who are the ones generating the highest number of jobs.

We have spoken of also working to bring down the cost of migrators' remittances to their families in Mexico, and this way facilitating those resources becoming productive projects toward important generation of employment and opportunities.