

The President's Radio Address

January 10, 2004

Good morning. As the year 2004 begins, America's economy is strong and getting stronger. More Americans than ever own their own homes. More businesses are investing. More manufacturers are seeing increased activity than at any time in the last 20 years. Stock market wealth has increased by more than \$3 trillion over the past year. And over the past 5 months, more than a quarter-million Americans started work at new jobs. In December, the unemployment rate fell to 5.7 percent, from a high of 6.3 percent last June.

This latest report underscores a choice about the future of our economy and the future of those who are looking for work. We can continue on the path to prosperity and new jobs, a path marked by a progrowth agenda that has cut taxes on paychecks for 109 million American taxpayers, or we can reverse the course by raising taxes on hard-working Americans. The choice is clear. Tax relief has got this economy going again, and tax relief will keep it moving forward.

In my budget for the upcoming fiscal year, I will call on Congress to make permanent all the tax relief we have delivered to the American people and our Nation's small businesses. If Congress fails to act, this tax relief will disappear, and millions of American families and small businesses would see tax hikes starting in 2005. For the sake of our economic expansion and for the sake of millions of Americans who depend on small businesses for their jobs, we need Congress to act and to make tax relief permanent.

Every American who pays income taxes got a tax cut. They should keep that tax cut in the future. American families saw the child credit double to \$1,000 per child. They should keep that higher credit. American investors, including millions of seniors, saw taxes fall on dividend income and investment gains. They should keep that tax relief. American small businesses received new tax incentives to invest in equipment and software. They should keep those incentives. Every American family, including every farmer, rancher, and small-business owner, will see the death tax disappear in 2010, then re-

appear in 2011. But the death tax should stay buried.

Now is not the time to turn our backs on America's families and workers and entrepreneurs by letting much-needed tax relief expire. Making tax relief permanent is a simple step that would keep our economy growing so that every American who wants to work can find a job.

We must continue to take other steps to promote growth and job creation throughout our economy. We must promote free and fair trade, reform our class action system, and help businesses and their employees address the problem of rising health care costs.

To serve the economic needs of our country, we must also reform our immigration laws. Reform must begin by confronting a basic fact of life and economics: Some of the jobs being generated in America's growing economy are jobs American citizens are not filling. This past week, I proposed a new temporary-worker program that would match willing foreign workers with willing American employers when no Americans can be found to fill the jobs. If an American employer is offering a job that American citizens are not willing to take, we ought to welcome into our country a person who will fill that job.

This temporary-worker program represents the best tradition of our society. It will help strengthen our economy, return order to our immigration system, and secure our homeland.

Thank you for listening.

NOTE: The address was recorded at 9:54 a.m. on January 9 in the Cabinet Room at the White House for broadcast at 10:06 a.m. on January 10. The transcript was made available by the Office of the Press Secretary on January 9 but was embargoed for release until the broadcast. The Office of the Press Secretary also released a Spanish language transcript of this address.

The President's News Conference With President Vicente Fox of Mexico in Monterrey, Mexico

January 12, 2004

President Fox. Good afternoon, ladies and gentlemen. President Bush, welcome to

Mexico, and welcome to Monterrey. We receive you with great enthusiasm, the way we are receiving the leaders of the countries of America. We have great expectations in order to work in this extraordinary Summit of the Americas.

In order to know each other better—all of us leaders that have responsibilities in America—it's best to analyze extraordinary matters that have been brought about in the last few years, since the last meeting of the Americas. While checking and making a revision on these matters, we can give broad solutions to the problems—economic and poverty problems in a great part of the continent; perhaps solutions to the problems of human capital, social capital in our respective countries; and likewise deal, as we have been doing in every single meeting, the safety and security matters, going deep inside the problems of corruption, making sure that in our countries, democracy should be there and the state of law should be there. So this meeting will enable us to give steps forward in all these multilateral topics.

Likewise, we have had a bilateral meeting—and I will mention this later on, a couple of matters, important matters in reference to this bilateral conversation. First of all, relating to the migration topic, President Bush has given us in full detail and has told us once again the proposal made in the United States for the migration matters and the policy that should be checked upon that—that topic. It's a sovereign matter of the United States.

Consequently, this migration proposal is analyzed according to the different conversations that President Bush and President Fox, myself, even when he was a Governor in the State of Texas and I was a Governor in the State of Guanajuato. Since that time, we have been touching upon this subject, and we did that in the first meeting in Rancho San Cristobal in the State of Guanajuato. We did it once again, and we spoke about migration. We have been doing this in each one of the different meetings.

So I would like to give full acknowledgement that part of the conversations, a great part of the conversations have been collected and analyzed. But this is a proposal made

by the President of the United States. We totally agree and are aware that the proposal should be discussed, broadly discussed, analyzed, particularly in the Congress of the United States. Consequently, we should give full time so that the idea—well, the idea should mature, and it should definitely be approved.

So for us in Mexico, this is a very important step forward on what has to do with the relationship between the two countries, on what has to do with the migration flow. It is a topic with a great priority for our countries, for both countries. This proposal opens an opportunity to have a certain movement, a certain situation, important for many millions of Mexicans. It is a priority. It is a valuable proposal, and by all means, it will have to do with the improvement of the situation of these migrants, but it will have to do as well with the strengthening of our respective economies—that on the one hand.

On the other, the topic that we have been dealing with is the initiative of North America, by means of which both Governments want to work with very specific objectives, so as to create a greater economic growth, increase productivity and competitiveness within the region through the reduction of costs, and facilitating trade flows, promoting development of common markets in different specific sectors. And it has as an objective to establish a security regional framework protecting Mexico, the United States, and Canada from terrorism.

Several tables, working tables, analyze the normalization of different standards within the market in automobiles, food, agriculture products, construction materials, and consumption goods. Likewise, there's a table that has to do with trade and services. Another one is working on energy; another one in scientific and technological cooperation; another one, regional cooperation on trade and investment. Consequently, it is a great effort so as to achieve the objectives that I just mentioned.

President Bush, once again, thank you for visiting us. Thank you for being here. This summit, this meeting, will allow us to be near the different Presidents, the different leaders

of Latin America, the Caribbean area, Central America, and by all means North America. And it will be for the good of this continent in the future. Thank you.

President Bush. Thank you, Mr. President. Laura and I are—really appreciate your hospitality. We want to thank you and Marta for being our friends. I remember well our visit to your ranch. And to this end, we would like to extend an invitation to both you and the First Lady of Mexico to visit our ranch on March the 5th and 6th. I hope you can find—I hope it's a convenient date for you on your calendar because we'd love to—we'd love to have you there.

The bonds of friendship and shared values between our two nations are strong. We have worked together to overcome many mutual challenges, and that work is yielding results. Today, Mexico is America's second largest trading partner, and we are Mexico's largest. Every day, thousands of Americans and Mexicans cross the border in both directions for reason of commerce and tourism. And many Americans settle—many Mexicans settle in America, bringing with them optimism and a strong desire to succeed. They come to fulfill their dreams, and in the process they enrich our Nation.

Last week, I proposed a new temporary-worker program that will help further the cause of safe, legal, and orderly migration. This temporary-worker program will match willing foreign workers with willing American employers when no Americans can be found to fill the jobs. Under this program, undocumented workers currently in the United States will be able to come out of the shadows and establish legal identities. All participants in the program will be issued a temporary-worker card that will allow them to travel back and forth between their home and the United States without fear of being denied reentry into our country.

This plan is not amnesty, placing undocumented workers on the automatic path of citizenship. I oppose amnesty because it encourages the violation of our laws and perpetuates illegal immigration. My proposal expects that most temporary workers will eventually return permanently to their home countries when the period of work that I will be negotiating with the Congress has expired.

And I think it's important to give financial incentives to those workers in order for them to make the decision to return home permanently.

I'll work with President Fox and other leaders on a plan to give temporary workers credit in their home countries' retirement systems for the time they worked in the United States. I support making it easier for temporary workers to contribute a portion of their earnings to tax-preferred savings accounts, money they can collect as they return to their native countries.

Under this program, the United States will benefit from the honest labor of foreign workers. Our neighbors will benefit as productive citizens return home with money to invest and to spend in their own nation's economy. This program will be more humane, humane to workers, and will live up to the highest ideals of our nations.

While my Nation benefits from the dreams that newcomers bring to America, I believe that people should be better able to achieve their dreams at their own home. The best way in the long term to reduce the pressures that create illegal immigration is to expand economic opportunity in countries at both ends of an immigrant's journey. This is why President Fox and I are committed to free and fair trade. We've seen it lift both our nations and our economies. Since 1994, trade between our two countries has grown from \$100 billion to \$232 billion. We will continue to work together and with Canada to enhance North American prosperity and security.

We're also working to reduce the cost of sending money home to families and local communities. These remittances exceed \$10 billion per year. But the cost of such transfers reduces the amount of money that hard-working people can return to their families. Our two countries have made it a priority to keep hard-earned money in the hands of those who need it most. In recent years, our efforts under our U.S.-Mexico Partnership for Prosperity Initiative have reduced the cost of remittances by almost 60 percent.

Two years ago, in this city, world leaders agreed on a vision to expand opportunity and spread prosperity throughout the hemisphere. With this year's Special Summit, we continue to put that vision into action.

Through the Inter-American Development Bank, we are expanding access to credit for small-business entrepreneurs, the key engines of growth and job creation for any nation's economy. We're helping nations improve their legal systems to protect property rights so that owners can use their property as collateral to finance the purchase of a home or to start a business. We're investing in the health and education of our peoples, and we're intensifying our common fight against corruption.

President Fox and I will also continue our efforts to support democracy in the region. We will work with the Organization of American States to ensure the integrity of the Presidential recall and referendum process underway in Venezuela. And as part of our effort to protect the institutions of democracy in Bolivia, we will cochair the initial meeting of the Bolivia Support Group in Washington this coming Friday.

Our bilateral relationship is strong. This summit's agenda is full. The United States will continue to work with our friends in the neighborhood in a spirit of common purpose and mutual respect.

Thank you, Mr. President.

Temporary-Worker Program/Airport Security

Q. Question for both of you. President Fox, once more on migrating matters, what else did the Mexican Government propose? What else can we expect for the Mexican workers? Can we aspire the same treatment of the Canadian ones without any approaches? What are the purposes in reference to migrants? Does this have election purposes? And will the United States avoid violating the human rights in our airports? What is the question, and the question is addressed for both Presidents. Thank you.

President Fox. First of all, I would like to say, what else can we wish? What we want is the plan presented by President Bush. We hope that the plan has a happy ending, through the political process that should be followed within the United States so that it can be approved in the Congress of the United States.

I would say that this is what we want. The plan, as it was mentioned before, is a very

important step forward for many Mexican workers in the United States. Those that have the direct benefit of this will recognize and acknowledge this proposal that has a great importance for them. Not only—not only because they can see that their labor rights and their human rights are completely respected there but there is a human face on this proposal, a human face that has to do with the families of these workers. Consequently, for us it is a plan that meets the demands and its measures. And our will should be to support the plan to be achieved and go on.

In reference to safety matters on the airports and the flights, that is a sovereign decision in Mexico to implement these safety and security programs within the airports and within the Mexican airlines. So we are not violating any human right of any sort of citizen. What we're doing is paying special attention so as to avoid terrorist acts, violent acts within the Mexican territory or within the Mexican airlines.

And in this same approach, we mention that there's no direct intervention of no official personnel, policemen, agents—direct intervention, direct participation in operations that have to do with the assurance of this task within the Mexican airports or within the Mexican airlines. What we do have is a participation and an exchange with the personnel, the liaison personnel, the link personnel for security. We exchange information so as to do our work much better.

We reject any other sort of information, different information that has been brought about that in these activities—well, we can state that only Mexican personnel participates, agents of the airlines or agents of security here in Mexico. Thus, there is no intervention in the direct operation of any other official agent from abroad. It is the liaison officers, the link offices; we exchange information the way we agreed upon with President Bush since the beginning of our conversations in Rancho San Cristobal.

And we have a mutual trust—that's the way we started—so that the security and safety institutions would trust each other, they could have an exchange of information, and they could be very, very efficient in their work. Never, never before had we reached efficiency level fighting organized crime,

guaranteeing the security and safety of the different passengers, stopping, let's say, loads of drug, drug trafficking the way we have been achieving this in the last few years, based upon mutual trust and based on this coordinated work between the two parts.

President Bush. Mr. President, I appreciate your wonderful cooperation that we've achieved between our two countries. You've just articulated that level of cooperation in a way that I don't think I ever could. So that's my answer to the second question you asked.

My answer to the first question you asked is that I proposed this change in immigration law because I think it is the right thing to do. It recognizes the reality of our country. The President and I talked about whether or not—the ramifications of this initiative to Mexico. But the migration policy applies to all foreign workers. But the truth of the matter is, the vast majority of foreign workers in America are from Mexico. We know that in Texas very well. And I repeat to you that this is—these workers are a benefit to my country. These are hard-working, decent, honorable people that are in our country because—to fill jobs that others won't take, on the one hand, and also to make a living, to put money—to get money and to send money back to their families. There is a deep human desire for a mother or a father to provide for his or her family. And that's how I view the motivations of good, decent Mexican citizens working in our country.

And it seems like to me, it makes sense to have laws that treat people with respect. We are a country of law. Rule of law is important in America. And therefore, we ought to not have a system that is based upon a undocumented underclass but a system that is based upon law.

And so I—you said something about politics—yes, there's politics involved. But the reason I made—and there will be politics probably involved in whether or not it passes Congress. But the reason I proposed the initiative is because it is the right thing for America to do.

Iraq

Q. Thank you, Mr. President, President Fox. My question is about Iraq. The death toll in Iraq, the American death toll, is ap-

proaching 500. I wonder whether you have any reservations now about whether that toll is worth it to achieve your objectives in Iraq and the Middle East.

President Fox, you had a disagreement with the President going into the war. I wonder whether you aired that out during your meeting just now, whether you now see eye-to-eye on postwar Iraq. Thank you.

President Bush. A democratic, free Iraq is in the national interests of our country. A free country in the midst of the Middle East will make America more secure and, matter of fact, make any country more secure. And the decision I made was a tough decision.

We've had discussions prior to the decision and after the decision. Vicente Fox is a good enough friend for him to be able to express his opinion to me without the loss of friendship, and he didn't agree with the decision I made. But the decision I made was the right one for America, and history will prove it's the right one for the world. And we will stay the course until the job is done.

And the job is getting done. Iraq is more free every day. The citizens are beginning—the lives of the citizens are improving every day. And one thing is for certain, there won't be any more mass graves and torture rooms and rape rooms. The tyrant will no longer come back to threaten the Iraqi people. These people will be able to live in—these Iraqi citizens will not only be able to live in a free society; they'll be able to live in a society that is free from one of the most brutal dictators in the world's history.

President Fox. As a democratic nation, to meet the challenge of terrorism, to make sure that terrorism is eradicated from the face of this world—that's our challenge today, and that's what we work on. It is why we congratulate the U.S. Government that they withheld Saddam Hussein, and he will be taken to trial, to judgment. We fully support that, and we congratulate President Bush and the United States for that very important accomplishment, which is for the better of all nations, all families, all people in the world that would want to live in peace without terrorism.

Free Trade Agreements

Q. Good afternoon. My question is addressed for both Presidents, if you can really talk about a free trade agreement—[*inaudible*—North America, between Mexico, United States, and Canada, in the midst of all the problems of commercial exchange such as transportation, food, agricultural sector. Second question: Can you achieve a free trade agreement of the Americas with the opposition of many countries such as Brazil and Venezuela?

President Fox. Well, in the case of a Free Trade Agreement of North America, we have clearly pointed out many a time that it has been successful for Mexico. We are very much satisfied with what has been achieved in the last 10 years. Mexico is the ninth economy in the world. It has enabled Mexico to have the size of the seventh power for exports in the world and a per capita income going beyond, let's say, \$6,000, the highest in Latin America. These are things that have been brought about because of this relation that has been established. And we have worked upon that for 10 years.

I read a report of the ILO about Latin America and unemployment and wages and salaries of the different workers. And Mexico has the best, let's say, rate on unemployment in Latin America, improving the situation, improving the actual wages of the workers in Latin America—the only one in Latin America. And by all means, this is coming from the free trade agreements. Consequently, we are satisfied with the free trade agreement, and it should continue operating and working with success.

On a parallel basis, we have thought about the Initiative of North America to thrust and develop our economies much more, achieving competitiveness and productivity, generating jobs and quality of life in our respective countries. It is a parallel, an additional pathway.

And as President Bush already mentioned in reference to the Association for Prosperity—the document known as Partnership For Prosperity, that's the name of the document—it has many—[*inaudible*—we work day by day so as to thrust and improve the document. So we're giving steps forward in this direction—that on the one hand.

On the other, as a consequence of this, Mexico is a passionate promoter of the free trade agreements in the Americas. We are totally in favor of the free trade agreement for the American Continent, by all means. And we're working in favor and working actively so that it will be achieved as soon as possible. We received with great satisfaction the results of the last meeting in Miami, Florida, where the agreement is to continue building this free trade agreement so as to have it ready on the foreseen dates that we thought about. So we are working enthusiastically in this field.

By all means, we do not only want a free trade agreement, but we want a very good free trade agreement, an agreement with quality and that has to do with trade that would take development to the less developed countries, the poorest countries in our continent, that could take development to the different regions where there's greater poverty in our continent. And that is the fundamental purpose of this agreement.

Trade promotes development, undoubtedly. Trade undoubtedly promotes the reduction of poverty. And trade and relations amongst countries promote human capital. So we are absolutely in favor of trusting and supporting this agreement.

President Bush. It's helped America; it's helped Mexico; it's helped Canada. I think we need to move the process forward—the President and I discussed that earlier today—with the North American Initiative.

The President is absolutely right. The best way to eradicate poverty is to encourage trade between nations. Trade gives people hope and provides opportunity. Obviously, that must be coupled with anticorruption measures, like the President has done here in Mexico. It must be coupled with good education measures. At this meeting, we're going to talk about ways to get capital into the hands of the entrepreneurial classes of respective countries. But without trade, there's going to be—it's going to be hard for some people to find opportunity.

And so I hope those who have expressed some opposition about the free trade agreement of the Americas, look at the facts. And the fact is that NAFTA has lifted lives and ended poverty in some parts of our—in our

neighborhood. And to this end, the United States will not only push for the free trade agreement of the Americas; we will continue trade agreements with countries like Chile—we just concluded one with Chile—but with the Central American countries, Andean countries. We believe in trade. We believe it's in the interest of the neighborhood that we trade freely.

Paul O'Neill

Q. Thank you, President Fox. President Bush, is it true, as your former Treasury Secretary Paul O'Neill says, that you started planning for the invasion of Iraq within days of your inauguration? Do you feel betrayed? And should he have released those documents?

President Bush. First, let me say I appreciate former Secretary O'Neill's service to our country. We worked together during some difficult times. We worked together when the country was in recession, and now we're coming out of recession, which is positive news. We worked together when America was attacked on September the 11th, which changed how I viewed the world. September the 11th made me realize that America was no longer protected by oceans and we had to take threats very seriously, no matter where they may be materializing.

And no, the stated policy of my administration towards Saddam Hussein was very clear. Like the previous administration, we were for regime change. And in the initial stages of the administration, as you might remember, we were dealing with Desert Badger or fly-overs and fly-betweens and looks, and so we were fashioning policy along those lines. And then, all of a sudden, September the 11th hit. And as the President of the United States, my most solemn obligation is to protect the security of the American people. That's my—to me that's the most solemn thing an American President or any President must do. And I took that duty very seriously.

And as you know, not only did we deal with the Taliban, we gave—working through the United Nations and working through international community, we made it clear that Saddam Hussein should disarm. And like he had done with a lot of previous resolu-

tions, he ignored the world's demands. And now he's no longer in power, and the world is better for it. The Iraqi people are better for it; America is better for it; Mexico is better for it. The world is more peaceful as a result of Saddam Hussein not being in power.

And the task at hand, Mr. President—and he and I—he knows this fully well—is to make sure that the aspirations of the Iraqi people are allowed to flourish. And we'll get there. It's a tough task right now. It's hard work, but we've done hard work in the past. And a free Iraq is going to be in the world's interest.

Thank you very much.

President Fox. Thank you, Mr. President. Good afternoon.

NOTE: The President's news conference began at 2:12 p.m. at the Quinta Real Hotel. President Fox and some reporters spoke in Spanish, and their remarks were translated by an interpreter. In his remarks, President Bush referred to Marta Sahagun de Fox, wife of President Fox; and former President Saddam Hussein of Iraq. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

Remarks Prior to Discussions With President Ricardo Lagos of Chile in Monterrey

January 12, 2004

President Bush. Listen, I'm honored to be here with *el Presidente de Chile*, Ricardo Lagos. Mr. President, thank you for your leadership and friendship. We have had a very close working relationship. And the people of the world should take notice of the fact that Chile and America negotiated and finalized a free trade agreement, a free trade agreement which is in the interests of the people of America and the people of Chile. It's an example of the bilateral trade relationships that my Government thinks is important.

But beyond that, we've got a relationship based upon shared values. The President is a strong leader who believes in human dignity and human rights and in freedom. And for that, Mr. President, I'm grateful for your strong voice here in our neighborhood. It's