

section 550(d) of the Act, and to publish the determination in the *Federal Register*.

**George W. Bush**

**Letter to the Speaker of the House of Representatives Transmitting Budget Amendment for the Department of Veterans Affairs**

July 14, 2005

*Dear Mr. Speaker:*

My Administration is committed to ensuring that our Nation's veterans continue to receive timely and high-quality health care. To this end, I ask the Congress to consider the enclosed \$1.977 billion FY 2006 budget amendment for the Department of Veterans Affairs (VA). I am requesting these resources to cover the expected increased costs in FY 2006 that VA will experience in its medical care budget.

The details of this proposal are set forth in the enclosed letter from the Director of the Office of Management and Budget.

Sincerely,

**George W. Bush**

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

**Message to the Congress Transmitting a Report on Reform of the Palestinian Security Services and Palestinian Authority**

July 14, 2005

*To the Congress of the United States:*

Consistent with section 2106 of the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief, 2005 (Public Law 109-13), and in order to keep the Congress fully informed, I herewith submit the enclosed report prepared by my Administration providing information on matters relating to the Palestinian Security Services and Palestinian Authority reform.

**George W. Bush**

The White House,  
July 14, 2005.

**Remarks on Central American-Dominican Republic Free Trade Agreement in Dallas, North Carolina**

July 15, 2005

Thank you. Please be seated. Thanks for the warm welcome. It's great to be back in North Carolina. It's always good to get outside the beltway and into NASCAR country. [Laughter]

Laura called me—she was in Africa for the past week. She called me. She's fixing to arrive in Washington this evening, but yesterday she said, "Where are you going on Friday?" I said, "I'm going to North Carolina." I said, "I'll be down there in that area where the Lowe's Motor Speedway is." She said, "Don't get any ideas." [Laughter] "You're having enough trouble staying on your mountain bike." [Laughter] She sends her very best to you all. She's doing great. I'm a lucky man when she said yes, when I asked her to marry me.

I appreciate the chance to stand with some of the finest workers in America, the men and women of Stowe Mills. I appreciate you all being here. And I thank you for giving me the chance to come and discuss an important topic, and that is, how do we make sure our job creation continues. And one way to do so is to make sure the trade we have is fair trade. That's what I'm here to talk about. I'm here to talk about making sure that people treat us the way we treat them. I want to talk to you about what they call CAFTA, the Central American Free Trade Agreement.

CAFTA is important for job creation. It's important for your jobs. CAFTA is important to help secure the democracies in our own neighborhood. And so, for the sake of our economic security and for the sake of national security, the United States House of Representatives should follow the lead of the United States Senate and pass CAFTA and get that bill to my desk.

I appreciate our Secretary of Commerce, Carlos Gutierrez, flying with me today. You know, I love America. I love the fact that people—a person like Carlos, born in Cuba, worked hard all his life, was able to succeed and is now sitting in the Cabinet with the

President. What a fantastic country we have, where opportunity is open to all people.

I want to thank Congresswoman Sue Myrick for her leadership, for her strength of character, for working hard on textile customs enforcement activity. She has been a leader in making sure the North Carolina and the United States textile industry is treated fairly. I appreciate you, Sue.

You've got two fine United States Senators from North Carolina—that would be Senator Dole and Senator Burr. I enjoy working with them, and I appreciate both Members of the United States Senate from North Carolina voting for this CAFTA agreement. They understand this is good for working people here in this State.

I want to thank Dr. Pat Skinner, the president of Gaston College. Thanks for having me. I am a big believer in the community college system. I think—and I appreciate the good work the community college system does here in North Carolina. This isn't the first time I have ever been to a community college in your State. I've been to a lot of community colleges. And one reason why is because your State is on the leading edge of helping people find new skills, the skills necessary for the jobs of the 21st century. And this is a good place and an important place. And so, Dr. Skinner, thanks for having me.

I want to thank the Stowe boys—[*laughter*]*—*that would be Robert, Harding, and Richmond. Now, I don't know which one of you all is the boss, but I'm interested in figuring out how you figured out who was the boss. I've got a lot of brothers, myself. [*Laughter*] But I appreciate their entrepreneurial spirit. I thank you for having me. I know they care a lot about the people who work in their mills. And they're—I would call them "employee-friendly." They're people who care about the people who work with them. And so I want to thank them for coming. Thanks for letting me go by the plant.

I want to thank the mayor, Rick Coleman, of the town of Dallas. That would be Dallas, North Carolina. [*Laughter*] And I want to thank Mayor Billy Joye of Belmont. Where's Billy? Billy, you here? Billy, yes. See, Billy, they don't know our connection, do they? Billy and I flew F-102s at Ellington Air

Force Base in Houston, Texas. Thank you, Billy. As we used to say, "He was a heck of a stick"—[*laughter*]*—*which means you're probably a heck of a mayor, Billy. Thanks for coming. Appreciate you being here.

I want to thank Allen Gant, chairman of the National—I'm not talking State—I'm talking National Council of Textile Organizations. He's here because the National Council of Textile Organizations has analyzed the CAFTA legislation and realized that this piece of legislation is good for American textile industry. And so I want to thank you for coming, Allen.

And finally, I flew down on the airplane today with one heck of an entrepreneur, somebody who has made Carolina a place of business interest, and he tells me he's slowly but surely falling in love with Charlotte, and that is Bob Johnson, head of the Charlotte Bobcats NBA basketball team. Thank you for coming, Bob. How about that story—from being raised in Mississippi to getting a good education to building his own business and now the owner of a sports team that means a lot to the people. And by the way, I think he's pretty wise. He drafted—or his club drafted, I'm sure at his insistence, two University of North Carolina Tarheels.

I met Janice Bozardt at Air Force One. She is a volunteer at Moore's Chapel United Methodist Church in Charlotte. She's been volunteering for 40 years. She leads a team of volunteers that delivers meals to families within the church and the local community. The reason I bring up Janice is because I want to remind you all that the strength of the United States of America lies in the hearts and souls of our citizens, that if you really want to—if you analyze our country to determine our greatest strength, you'll find that it exists because people hear a universal call to love a neighbor just like they'd like to be loved themselves and take time out of their lives to volunteer. Janice represents millions of people across the United States of America who are helping to change our country, one heart and one soul and one conscience at a time.

For those of you who might be listening and are interesting in serving our country, find somebody who hurts and surround them with love. Feed the hungry. Find shelter for

the homeless. Teach a child to read. Love somebody like you'd like to be loved yourself, and you'll be making a significant contribution to our country. Janice, thank you for coming. Thanks for volunteering.

My most solemn obligation is to protect the American people. That's my most important duty as your President. Today, we are fighting in a global war on terror. We didn't ask for it. It came to our shores, and we're responding. We're doing our duty to not only protect our country but to put the conditions in place that will protect generations from—come. We're fighting against people who celebrate the suffering of the innocent.

I thought it was really interesting that the terrorists chose to attack in London, England, at the same time that the United States and other nations were trying to figure out how to help alleviate [alleviate]\* HIV/AIDS on the continent of Africa or how to help people that are starving to death or how to help make sure young girls get educated around the world.

We were talking about a society of compassion. And these killers killed indiscriminately, men and women. They didn't care who they were. They didn't care about their religion. They murdered in the name of a totalitarian ideology. These are ideologues. They hate freedom. They reject tolerance. They despise all dissent. They have objectives. Their aim is to remake the Middle East in their own grim image of tyranny. They want to topple governments. They want to export terror. They want to force free nations to retreat.

These people will not be stopped by negotiations. They're not going to be—they won't change their mind because of concessions. There is no appeal to their reason. There is only one course of action. We will take the fight to the enemy, and we will stay in the fight until this enemy is defeated. [Applause] Thank you all.

We have a comprehensive strategy in place. First, we're doing a lot to protect the homeland. There's a lot of really good folks at the State, local, and Federal level who are working long hours to protect us. We're improving our intelligence gathering, and the only way to deal with and find people that

are willing to hide in caves or in the shadows of our cities is to have as good of intelligence as possible. So intelligence sharing within our Government is getting better, and intelligence sharing with other governments is getting better.

And we're going to stay on the offense. And we can do all we can to protect the homeland. As I like to tell people, we have to be right 100 percent of the time, and they've got to be right once. And so, therefore, you do everything you can to protect the home, but you stay on the offense against them, and you stay on the hunt. And you call people to account, free nations to account, say, "Join us in this cause of protecting ourselves."

And we are on the hunt. And we've helped change societies for the better. Iraq is a central part of this war on terror. People are heading into Iraq to try to defeat us. They can't win, militarily. The only thing they can do is to try to shake our will, is to murder in such horrific terms—like killing all those kids the other day—that the United States will say, "Well, you know, let's get out of there," before we complete our mission. They're going to fail. They don't understand the United States of America. We will not be driven out of Iraq by a bunch of thugs and assassins. We will complete the mission.

And our mission—just like in Afghanistan, our mission is to help a democracy flourish. This August you'll see the Iraqis write a constitution. And then they'll ratify the constitution. And then there will be elections for a permanent government in December. See, democracy is taking hold. A lot of people said it couldn't happen. A lot of people said, "There's no way democracy is going to take place in a place like Iraq." But the Iraqis defied the cynics, didn't they? Given a chance to vote, millions showed up to the polls. Millions defied the suiciders.

It just reminds me how universal the fuel of freedom is. See, I don't believe—I do not believe that freedom is America's gift to the world. I believe that freedom is the Almighty God's gift to each man and woman in this world, and if given a chance, people choose freedom over tyranny, hope over despair.

The second part of our mission is to train these Iraqi troops so they can do the fighting.

\* White House correction.

The way I put it is this: As the Iraqis stand up, America will stand down. I know a lot of you have got relatives—who've had a loved one in Iraq. And I want to thank you on behalf of a grateful nation. You thank them on behalf of our Nation too. The American people are standing with our troops, and our troops understand what they're doing in Iraq. They're helping lay what I call the foundation of peace, because in the long run, the long run, the best way to secure the peace for generations to come is to spread freedom, and that's exactly the policy of this Government.

Here at home, we've got reason to be optimistic. This economy of ours is growing faster than any other major industrialized nation in the world. We've now had 25 consecutive months of job gains. We've recovered from the shocks of the attack and the recession and the market correction. Our unemployment rate in the United States of America is now 5 percent. That's the lowest since September of 2001, and that's lower than the average rate of the 1970s, the 1980s, and the 1990s. More Americans are working today than ever before in our Nation's history.

That's good progress. But there's more we can do. We've got to keep your taxes low. If you want to keep this economy growing, we've got to make sure that the Government doesn't run up your taxes. We've got to make sure we're wise about how we're spending your money. I don't know if you noticed the news the other day, but it turns out that when you cut taxes, the economy grows. When the economy grows, it yields more tax revenues. Over the past 5 months, the revenues have increased \$94 billion greater than anticipated, which means our deficit will be \$94 billion less, so long as Congress is wise about how they spend your money. And part of my job is to make sure they are wise about how we spend your money.

This economy is strong. And so the fundamental question is, what do we do to make it stronger? And that's why I'm here to talk about the Central American-Dominican Republican Free Trade Agreement. See, I think this presents us with an historic opportunity to keep this economy growing, and I'll tell you why.

First, Central American businesses and farmers can ship most of their products to America without paying any tariffs. In other words, over the past years, the Congress has decided to say, "Okay, if you grow something or make something in a Central American country, you can ship it to America duty-free." But guess what? We don't have the same rights. We can't do the same thing. We can't grow or manufacture many goods here in the United States and ship our goods to their countries duty-free. That doesn't make any sense to me. That's what I would call a—not a level playing field.

See, I told the people when I was running, "I am for free trade, but I'm also for a level playing field." And so I took a look, as did Members of the Senate and now Members of the House, at the playing field. It's not level. It's not fair to say to a farmer here in North Carolina, "You can't sell what you grow, in Central America duty-free, but they may be able to sell what they grow, here duty-free."

Last year we exported more than \$15 billion—\$15 billion—of goods to Central America. That's—but products are facing a heavy tariff. That's—in other words, that's what they've done; they've slapped a tax on our goods coming in.

For example, Costa Rica has a 15-percent tax on dump trucks and mobile cranes. If you're a dump truck manufacturer and a worker in a dump truck manufacturing plant, the product you're manufacturing is at a competitive disadvantage because they put a tax on it when it comes into the country.

Guatemala has a 20-percent tax on luggage. El Salvador has a 20-percent tax on polyester fabric. Nicaragua has a 10-percent tax on shrimp. Those are just some of the examples of where there is a barrier to entry. These foreign taxes on American-made products sold in the region hurt businesses, which really means they hurt jobs.

See, it makes it harder to have a job when these countries have tariffs. And yet, we don't have the tariffs in our country. And so one of the things CAFTA would do will eliminate these one-way tariffs on American products and open up a market of 44 million consumers to America's goods, services, and

crops. That's what the American people have got to understand.

This deal is a good deal for workers. This basically says, "If you make a good product, it's going to be easier to sell your product to 44 million new customers." By eliminating these tariffs, CAFTA will keep this economy going. CAFTA helps American textile workers by keeping textile jobs in the U.S., and here is how: Central America is the second largest market in the world for our textile products. I don't know if people here in North Carolina know that. Think about what I just said: It is the second largest market for textile products. So if you're a textile worker, it seems like to me that one of the questions you ask, "Where do we sell our products? And if we sell our products, are we being treated fairly for the products we manufacture?"

Garment factories in Central America buy yarn and fabric. That's how they operate. They buy the yarn and—I just saw some yarn and fabric made. You do a fine job, by the way. And they buy that yarn and fabric. But it's taxed before it gets into the country. In other words, it makes the product made in your plant less competitive with products made in other plants. These Central American factories are competing with Asian garment workers. And Asian—generally, they use Asian materials. See, so Central American companies need to have an incentive to continue to buy our product, and the best way to do it is to get rid of those tariffs on U.S.-made yarn, the yarn right—made in your plant.

If we can get rid of the tariffs, it is more competitive, which makes it more likely that we'll be able to—in our neighborhood—compete with Asian manufacturers. That's why it's a good deal for textile workers. It means the products you produce will be cheaper, less expensive in a part of the world—the second largest place where we—the second largest market for our products. And that means jobs here in America. CAFTA is good for U.S. jobs. CAFTA means textile jobs will stay right here in the United States of America.

In 2004, North Carolina exported more than \$1.7 billion worth of manufactured goods to CAFTA nations, most of it textiles

and apparel. Without CAFTA, the market for these textiles in Central America would likely disappear and so would thousands of jobs here.

This bill is important for North Carolina. It's important for every State. But it's—see, one of the reasons why we asked the workers to sit up here is because I want people to connect this legislation with jobs. That's what we're talking about, really. People at Stowe Mills understand this. That's why the CEO, Harding Stowe, one of the Stowe boys, and other textile manufacturers are urging Congress to pass CAFTA. That's a pretty interesting observation, isn't it, by people who know the business pretty well. In other words, they've analyzed this piece of legislation. They understand the significance. They understand that when you drop tariffs, it will help increase exports. And when you increase exports, that means more sales, which means more jobs. They know this. These are the people who have a vested interest in this piece of legislation—those are the textile manufacturers. And the textile manufacturers agree with me that the United States House of Representatives, for the good of American workers, ought to pass CAFTA legislation. And I want to thank them for being here today.

Eighty percent—80 percent of U.S. exports of consumer and industrial products will become duty-free—80 percent of what we produce here going down there. CAFTA nations bought a million dollars of American goods, including semiconductors, electronic components from Oregon, petroleum and coal from Texas, plastics from Colorado, cars trucks and autoparts from Michigan. In other words, this bill is going to have effect beyond textiles. It's going to help people who are working in manufacturing facilities all over the country.

The National Association of Manufacturers estimates that the elimination of tariffs on these goods will result in an extra billion dollars worth of U.S. manufactured exports to the region each year. That's a billion dollars more goods going into those markets, which means somebody's more likely to keep a job, or maybe somebody is more likely to find a job. In other words, this is a jobs program we're talking about.

The increase of sales is important all across our country. It provides additional opportunity. And I'm going to tell you something, this bill helps our farmers, and that's important for people to understand. Fortunately, we don't have a national security issue when it comes to agriculture. We produce more than we consume, and I want to thank our farmers for that.

I can't say the same about energy, by the way, which—that means we have a national security problem, when you're importing more energy than you produce. That's why Congress is going to get me an energy bill. I want to warn you, by signing that bill, it's not going to drop your gasoline prices, but it's finally going to put in place a strategy that will help us diversify away from foreign sources of energy, which we need to do.

But if you produce more than you consume, therefore, you've got to figure out ways to sell what you produce to somebody else. In other words, exports are really important for our farm community, and so we ought to be working to open up markets for the farmers. That's how you avoid surplus here at home.

Today, our agriculture trade with CAFTA is nearly \$1.8 billion a year. That's a lot. And the American Farm Bureau Federation, they got their economists on this deal. They looked at the CAFTA agreement, and they think it would increase farm exports by additional \$1.5 billion a year. If you're selling 1.8 now, and you get rid of those tariffs on your farm products, which means you're more likely to sell more product, and it goes up to 1.5 billion, that's a hefty increase, by signing this agreement. Feed grains and wheat and rice and soybeans and poultry and beef and pork and dairy and fruits and vegetables are all going to benefit from this agreement.

You mentioned—you heard me—you did hear me say pork. [Laughter] In North Carolina, the leading farm product is pork. You grow a lot of hogs here. [Laughter] And you're good at it; you're really good at it. And you grow more than we eat. Do you realize in CAFTA nations, pork now faces duties as high as 47 percent? If you're a pork producer here in North Carolina and you're looking for a place to sell your product, you want to get rid of that 47 percent tariff. You want

to reduce tariffs. You want your product to be able to go into countries duty-free. You want to be treated just like we treat other nations. That's what you want, and the CAFTA bill will do just that. CAFTA is going to be good for American agriculture.

And I happen to be a person who believes that it's important to have a strong agricultural sector. And if it's good for our America agriculture, it's good for America.

I want to tell you something else about CAFTA. It will help advance a key part of our foreign policy. In the seventies and eighties, most of the CAFTA nations suffered under military dictatorships. The region was not stable. There was a lot of turmoil. And then those nations began to embrace freedom and democracy. And so we've got some young democracies right in our own neighborhood. And it's in our interest that those democracies be strong and viable.

But there's still forces that oppose democratic government there and who seek to limit economic freedom. And there are forces in the neighborhood who are hostile to our interests. Now, these small nations of CAFTA—I just met—by the way, met with the President of El Salvador today—they have made a big commitment for CAFTA. They say, "We want to do CAFTA. We'll lower our tariffs."

By the way, it makes sense for them to lower their tariffs. After all, it will help their people. It will mean that North Carolina pork will be less expensive at the stores for somebody trying to feed their family. But they've made this commitment. They said, "We want to stand with America through the CAFTA agreement." And it's really important we pass that agreement to help stabilize those countries.

We got to help the young democracies develop—deliver a better life to their own citizens. That's what this agreement means for them. It means products are less expensive. It means their business people will be more likely to be able to buy plant and equipment at a better price, which will mean more jobs for the people there living in Central America. That's what that means.

It will improve—boost demand for our goods. It will help them reduce poverty. See,

as wealth spreads out through the neighborhood, it will help create a vibrant middle class, and that's important. That's important. It will mean somebody is more likely to find a job close to home than trying to sneak into the United States of America to find a job. CAFTA is important foreign policy. It will help stabilize democracies, and it will help our friends grown and prosper, and that's good. That's in our interests that we do just that.

And so I'm calling on the Congress to pass CAFTA. It's a pro-jobs bill. It's a pro-growth bill. It's a pro-democracy bill. We cannot turn our backs on our friends. We cannot say to them, "For pure political reasons, we're not going to support a treaty that will not only help our own businesses, but that will help stabilize young democracies."

And so I want to thank you for giving me a chance to come by and visit with you about an important piece of legislation. I can't tell you what an honor it is to come down to North Carolina, and it's a huge honor to be the President of the United States of America.

May God bless you, and may God bless our people.

NOTE: The President spoke at 1:01 p.m. at Gaston College. In his remarks, he referred to Robert L. Stowe III, chairman, D. Harding Stowe, president and chief executive officer, and Richmond H. Stowe, secretary and treasurer, R.L. Stowe Mills, Inc.; Robert L. Johnson, owner and governor, National Basketball Association's Charlotte Bobcats; and President Elias Antonio Saca Gonzalez of El Salvador.

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### **Digest of Other White House Announcements**

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The following list includes the President's public schedule and other items of general interest announced by the Office of the Press Secretary and not included elsewhere in this issue.

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#### **July 9**

In the morning, the President had an intelligence briefing.

#### **July 10**

In the morning, on the South Lawn, the President met with members of the Soldier Ride 2005 National Tour Team.

The President declared a major disaster in Alabama and ordered Federal aid to supplement State and local recovery efforts in the area struck by Hurricane Dennis beginning on July 10 and continuing.

The President declared a major disaster in Florida and ordered Federal aid to supplement State and local recovery efforts in the area struck by Hurricane Dennis beginning on July 10 and continuing.

The President declared a major disaster in Mississippi and ordered Federal aid to supplement State and local recovery efforts in the area struck by Hurricane Dennis beginning on July 10 and continuing.

#### **July 11**

In the morning, the President had an intelligence briefing. Later, in the Oval Office, he and Vice President Dick Cheney met with Ambassador to Iraq Zalmay Khalilzad.

Later in the morning, the President traveled to Quantico, VA. Later, he returned to Washington, DC, arriving in the afternoon.

Later in the afternoon, in an Oval Office ceremony, the President received diplomatic credentials from Ambassadors Zamira Sydykova of the Kyrgyz Republic, Dennis James Richardson of Australia, and Carlos Gianelli of Uruguay. Later, he participated in a photo opportunity with White House summer interns.

The President announced his intention to nominate James Caldwell Cason to be Ambassador to Paraguay.

The President announced his intention to nominate Rebecca F. Dye to be a Commissioner of the Federal Maritime Commission.

The President announced his intention to nominate Keith A. Nelson to be an Assistant Secretary of Housing and Urban Development (Administration).

The President announced his intention to appoint Gordon Charles Brenner as a member of the National Veterans Business Development Corporation.

The President announced his intention to appoint the following individuals as members of the Advisory Committee for Trade Policy