

want to strike a difference between military expenses for armed conflicts between countries and military expenditures for defense against terrorism and drug trafficking, because these are two separate issues.

I think that there is a major challenge in the world. In order to survive in this globalized and savagely competitive world we live in, we need to invest more in the minds of our people. Basically, what this means is investing more in nutrition, health, education, and justice for the poor. We won't be able to deal with the challenges of this globalized world unless we invest in the knowledge of our societies.

The question immediately arises, and obviously so, in an economy that is growing, that is overcoming a recession, where do you get the money to invest in nutrition, health, and education? Well, we've made an appeal to countries at the bilateral level. And there the United States has played a very generous role, at the donors table in Madrid. And I want to publicly express my appreciation, Mr. President. There has been debt conversion, external bilateral debt swap, for social investment. And there we have been able to get a commitment of about \$1 billion. This is one way to establish a financial space to invest in health, nutrition, and education.

The other thing is that I believe it makes no sense in this world that as long as we have a country with 54 percent of Peruvians who live below the poverty line or 16 percent who live below the dire poverty line—when I was born, the very first minute of my life when I opened my eyes, I saw the face of dire poverty. I know what this means. That's why I am convinced that we can make an effort to reduce military spending, to reorient those resources towards investment in justice and education and health, because the defense of a country no longer depends on how many tanks or ships or aircraft we have. It's all about how strong our economy is, how educated our people are. And please excuse me for being so passionate on this subject, but there is absolutely no doubt on this. And the empirical evidence is very harsh with regard to the return on investment on education and health and nutrition for our people.

And here, once again, we have another point of coincidence that leads us down the

same path together. I conveyed something that's very close to my heart, with regard to the Huascarán education program, and I asked our friend to support us on this. And I will be going to New York, and I'm going to talk to Mr. Bill Gates to try to promote the Huascarán project even more. But if we reduce military spending, we're going to have some financial leeway to reorient this money towards the poor, who want to overcome poverty, who want freedom. And we'll be able to deal with the challenges of the future even better.

Ladies and gentlemen, thank you very much.

NOTE: The news conference began at 6 p.m. at the Presidential Palace. President Toledo spoke in Spanish, and his remarks were translated by an interpreter. In his remarks, President Bush referred to Veronica Bowers and her daughter, Charity, who were killed in the accidental shootdown of a U.S. missionary plane in Peru on April 20, 2001; Chairman Yasser Arafat of the Palestinian Authority; U.S. Special Envoy to the Middle East Gen. Anthony Zinni, USMC (Ret.); and Prime Minister Ariel Sharon of Israel. President Bush also referred to FARC, the Revolutionary Armed Forces of Colombia; the Tenet plan, the Israeli-Palestinian cease-fire and security plan of June 13, 2001, negotiated by Director of Central Intelligence George J. Tenet; and the Mitchell report, the Report of the Sharm el-Sheikh Fact-Finding Committee, issued April 30, 2001. President Toledo referred to Minister of Defense Aurelio Loret de Mola of Peru; and William H. "Bill" Gates, chairman and chief software architect, Microsoft Corp.

### **Remarks at a Dinner Hosted by President Toledo in Lima**

*March 23, 2002*

Mr. President, we're so honored to be here. We want to thank you for your invitation. We want to thank you for the hospitality that you and the First Lady have shown us. And we want to thank you all for coming.

I want to thank my friends the President of Colombia *y de Bolivia y tambien el vice presidente de Ecuador*. Thank you all for being here as well.

I have come to Peru to congratulate the President and the people of Peru for embracing the institutions of democracy. It is such an important example for the world to see. I have come to Peru to thank the people of Peru and the President of Peru for the condolences that you sent to *mi país* on September the 11th. We appreciate your prayers; we appreciate your condolences; and we appreciate your firm stand in the fight against terror.

And I bring with me the condolences of the American people for those lives and the families whose lives were affected as a result of the cowardly bombing that took place in Lima last week.

I come in the spirit of respect and cooperation, respect for the people of Peru and the desire to cooperate to advance trade and commerce and prosperity and education and health. I see a great future in our relationship, and I see a great future for the great country of Peru.

So it's my honor to be here tonight to toast my friend *el Presidente*, the First Lady, and the people of this *gran país*.

NOTE: The President spoke at 8:41 p.m. in the Presidential Palace. In his remarks, he referred to President Toledo's wife, Eliane Karp Toledo; President Andres Pastrana of Colombia; President Jorge Fernando Quiroga Ramirez of Bolivia; and Vice President Pedro Pinto Rubianes of Ecuador. A tape was not available for verification of the content of these remarks.

### **The President's News Conference With President Francisco Flores Perez of El Salvador in San Salvador, El Salvador**

*March 24, 2002*

**President Flores Perez.** Good afternoon. It is an honor for us to be here with you and to be able to answer the questions that you want to ask President Bush and myself. I would like to start by saying that for El Salvador, it is an immense honor to have President Bush in our land.

El Salvador has been a country that has faced enormous difficulties—the war, combat against poverty, earthquakes. And El Salvador has done this through a system of free-

doms in the search of a democracy, the search of economic freedom as well—giving people the opportunity—the opportunity to get education, to trade of their products, and to integrate into the new world.

So a country like ours that believes in freedom feels especially honored to have a world leader that has built a leadership based on values and principles, values that have to do with the rights of human beings. And this allows us, countries that are so different like the United States and El Salvador, to find each other in a common point.

So welcome to our country, President Bush. It is an immense honor to have you here in our country.

**President Bush.** *Gracias, Señor Presidente, mi amigo.* Thank you, President Flores, for providing such warm hospitality in this beautiful country. Laura and I were struck, when we flew in, about your beautiful mountains and your beautiful sea. I'm honored to be here for the first time in my life.

We've just completed our fifth meeting—this is the fifth time that the President and I have met. And in each of them, I have come away from our meetings most optimistic about the future of El Salvador. I truly believe this country has got a unique President and a great President. El Salvador—and the reason why I believe that is because of the success of the country.

El Salvador is one of the really great stories of economic and political transformation of our time. Just over a decade ago, this country was in civil war. For millions of Salvadorans, violence was a daily reality, and prosperity was just a distant dream. Today, El Salvador is at peace. The country has renewed its commitment to democracy and economic reform and trade. It is one of the freest and strongest and most stable countries in our hemisphere.

The United States considers El Salvador a close friend and strong ally. As friends, we come to each other's aids in times of crisis. Since September the 11th, El Salvador has been unwavering in its support for the international coalition against terrorism. I want to thank the President and the people of El Salvador for their prayers for the American people during this crisis. I want to thank you