And so I think one of the biggest dangers we face, if we go to war, is how he treats innocent life. And it is important for Iraqi leadership and Iraqi generals to clearly understand that if they take innocent life, if they destroy infrastructure, they will be held to account as war criminals.

NOTE: The President spoke at 11:16 a.m. in the Cabinet Room at the White House. In his remarks, he referred to President Saddam Hussein of Iraq. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

## Message to the Senate Transmitting the Second Additional Protocol to the Mexico-United States Taxation Convention

*February 25, 2003*

*To the Senate of the United States:*

I transmit herewith for Senate advice and consent to ratification, the Second Additional Protocol that Modifies the Convention Between the Government of the United States of America and the Government of the United Mexican States for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, signed at Mexico City on November 26, 2002. I also transmit, for the information of the Senate, the report of the Department of State concerning the proposed Protocol.

The Convention, as amended by the proposed Protocol, would be similar to tax treaties between the United States and other developed nations. It would provide maximum rates of tax to be applied to various types of income and protection from double taxation of income. The Protocol was concluded in recognition of the importance of the United States economic relations with Mexico.

I recommend that the Senate give early and favorable consideration to this Protocol, and that the Senate give its advice and consent to ratification.

**George W. Bush**

The White House,
February 25, 2003.

## Message to the Congress Transmitting a Report on the National Emergency With Respect to the Proliferation of Weapons of Mass Destruction

*February 25, 2003*

*To the Congress of the United States:*

As required by section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c), and section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), I transmit herewith a 6-month periodic report prepared by my Administration on the national emergency with respect to the proliferation of weapons of mass destruction that was declared in Executive Order 12938 of November 14, 1994.

**George W. Bush**

The White House,
February 25, 2003.

## Remarks to the Latino Coalition

*February 26, 2003*

*Bienvenidos.* I want to thank *mi abogado* and my close friend for his leadership and his participation in our Government. Everybody has got to have a good lawyer—[*laughter*]—especially in my line of work. [*Laughter*] And I've got a great one with Al Gonzales. I'm proud to call him friend.

And I also want to thank the members of the Latino Coalition who are here today. I want to thank for your work in—obviously, on political issues. But really I want to thank you for what you're doing in your own community, showing people that through hard work there's opportunity and hope, that if you're an entrepreneur—thanks for setting such a great example. Truly, one of the greatest things about the Nation is that somebody who's got a dream and who works hard can own their own business, realize their own potential. So thanks for setting the example for a lot of our fellow citizens.

I'm honored that Mel Martinez is here with us, and Hector Barreto, serving my administration. Both men are doing a fine job in important positions. I want to thank Ambassador Hans Hertell from the Dominican

Republic for coming. I see you brought an entourage with you. [*Laughter*] Rosario Marin, who's the Treasurer, is here. Rosario, great to see you. Josefina Carbonell, who is the Assistant Secretary for Aging, Health and Human Services, is with us.

I want to thank very much the—Robert de Posada, who is the president of the Latino Coalition. I also want to thank Jane Delgado as well for your leadership and for working for what you think is right for the country. *El Gobernador del Estado de Hidalgo* is with us today. *Gobernador, bienvenidos.* Glad you're here.

I see my friend Alfredo Phillips. One of the great honors when I was the Governor of Texas was to work closely with our Mexican counterparts. *Senor* Phillips was a man who came to Austin quite frequently to talk about NADBank and mutual development programs. I'm honored you're here. I appreciate your delegation coming.

This Nation is committed to making sure we've got great relations with Mexico. The cornerstone of good foreign policy starts with making sure the neighborhood is prosperous and peaceful. I look forward to continuing to work with Vicente Fox on advancing a common agenda for the good of both nations.

And so I welcome you all here. You come to America today during times of great challenges. There are some challenges which face us, but there's no hurdle big enough for the American people not to cross. This is—we've got some mighty challenges to make sure the country is more prosperous and more hopeful and the world more peaceful. But *sin duda*, we're going to achieve what we need to achieve, *porque este pais es un gran pais*, with great values and great hope and great strength.

The first challenge we have is to make sure people can find work. We want everybody working who wants to find a job. The challenge was created, really, because of a recession and an attack on America and the fact that some of our fellow citizens didn't realize that they needed to tell the truth all the time when it came to the numbers on their balance sheets. All three of those circumstances has created a challenge for the country. And the challenge is how to make sure the entrepreneurial environment is strong and steady, so that people are confident in taking risk, that small businesses are willing to take risk to expand.

And so I put out an economic plan that addresses the challenges that we face. First, I want to remind you we responded to the recession by tax relief. We believe that if a person has more money in their pockets, they're likely to demand a good or a service. And when they do so in the marketplace, somebody is likely to produce the good or a service. And when that happens, somebody is more likely to find work. That's the premise of the economic policy we laid out in '01. I worked with the Republicans and Democrats to get the tax plan through.

We responded to the attacks on September the 11th, 2001. We had terrorism insurance bill passed to encourage construction programs to go forward. We dealt with the airline issue. We got the stock market opened up quickly. And of course, then we liberated Afghanistan as we sought to bring justice to the killers of the thousands of Americans and others.

We dealt with the corporate scandals by passing the law that clearly says that if you lie, cheat, or steal, that if you defraud a shareholder or an employee, there is going to be certain consequences.

And so we made progress. But the economy still needs more work as far as we're concerned. And so I've gone to Congress, and I want to share with you quite quickly, quite briefly what I am asking Congress to do.

First of all, I think it's very important for us to focus on small-business growth. We're interested in job creation. The first thing—the first fact that Congress has got to understand is most small—most jobs are created by small businesses, most new jobs. And so, therefore, any package ought to be focused on small business in America. And this package is. It basically says, we're—we've asked Congress to cut rates. They did, but they phased in the tax rate cuts over 3, 5, or 7 years. Well, if the economy is not doing as well as it should today, and if Congress has one time seen the wisdom of letting people keep more of their own money, then step one is they ought to accelerate the tax relief plan to this year. All tax cuts in the future

ought to be accelerated to this year. If they're good enough 5 years from now, they're good enough today.

Most small businesses are sole proprietorships or limited partnerships or Subchapter S corporations, which means that they pay tax at the individual income tax rate. And so therefore, when you accelerate rate cuts, you're really accelerating capital to be invested by small businesses. And that's what Congress must understand. The rate reduction package is good for the small-business sector of the American economy.

As well, we believe we ought to increase the amount of expensing available to small businesses from the current limitation of $25,000 to $75,000 a year. This will encourage capital expenditure. It will provide incentive for people to expand their businesses. Capital expenditure equals jobs, and the more capital accumulation and capital expenditure we can encourage, the more likely it is somebody is going to find work.

And so this plan focuses on boosting the amount of money consumers have to spend, strengthening demand for products. But it also focuses on capital accumulation, capital formation, particularly at the small-business sector of the American economy.

Furthermore, I believe we ought to eliminate the double taxation on dividends, and I will tell you why. If capital equals jobs, the double taxation of dividends means there is less capital in the private markets for investment. It's fair to tax a company's profits. It is unfair to tax that profit again when it's distributed to one of the shareholders. And so our plan encourages capital formation. Our plan addresses the needs of the 10 million seniors who have dividend income. It is beneficial for those seniors not to have to pay a tax on their dividends. As a matter of fact, it will help them in the later years of their lives.

The dividend plan also is going to have a positive effect on our accounting process. I mean, after all, we went through a period of time when people said, "Invest in my company. Even though I may not have any earnings, I've got a good idea. So let's invest"—let's invest in something that may or may not happen. A society which is focused on dividends says, you know, cash is really what matters. You can't—if you say, "Invest in my company. I'm going to pay you a dividend," it's not based upon some pie-in-the-sky projection. It's based on the reality of cash. The dividend policy, if more companies pay dividends, will have a positive effect when it comes to the balance sheets of America. It will have a reform effect, because you can't project what may be. When you're promising dividends, you've got to project what is. And that's going to be good for investors, and it's going to be good for accountability when it comes to the corporate sector of America.

So this is the plan I'm asking Congress to look at. It's a reasonable plan; it's a stimulative plan; it's a plan that makes sense. And I'm asking for your help. I'd like for you to contact your Congressman or your Senator and let him know that this plan makes sense for the economic vitality of this country.

We continue to face a hurdle with our schools. If you want America to be a hopeful place, we better make sure the public school system of America works. And so I want to continue—I say we face a problem because not every school is working the way we want it to. I proposed reform which the Senate and the House passed in my first year as the President. The reform said, if you spend money, then it makes sense to demand results. We spend money at the Federal level. Therefore we ought to ask, what are the results? We're asking the simple question, "If you receive money, can the children read and write and add and subtract?" That's what we want to know.

It's really important for Latino parents to have that question asked. It's essential to ask that question if you want the future of this country to be bright, because oftentimes the Latino child just gets passed through the system, without asking the fundamental question of whether or not that child can read and write and add and subtract.

You see, it's oftentimes easy to walk into a classroom full of the so-called "hard to educate" and say, "We're moving you through." It's what I call the soft bigotry of low expectations. I told the American people when I was running for office, "I will challenge the soft bigotry of low expectations, because I believe every child can learn, regardless of the status of their parents." And we have done that.

We have done that. We've increased Federal education spending by 50 percent from the time I got here. But more importantly, we're demanding accountability because we believe in the value of every child, and we don't want one child left behind here in America.

We look forward to working with you on health care matters. We want the Medicare system to function well. We want to make sure that there is a capacity for people to get primary care through community health centers. It's an initiative which I strongly support and I'm pushing Congress to fund to its fullest.

We want to make sure that there is a—health tax credits to help the working uninsured. And we want to make sure there's medical liability reform to make sure that health care is not only affordable but available. In other words, we don't want our docs sued to the point where they're leaving the profession, where people can't find good medical care. There's a lot we can work with you on, and intend to do—associated health care plans, incredibly important part of making sure small-business owners can provide affordable health care to their employees.

I also want to work with—continue to work with you all in America on making sure that our welfare system is complete. I say complete because the best welfare programs oftentimes are those found in our *iglesias*, our churches and synagogues and mosques. And our Government must not fear the power of faith in our society but must welcome faith-based programs which exist to heal hearts and provide hope for broken lives.

The great strength of this country lies in the hearts of our fellow citizens. The great power of transformation in neighborhoods can take place because thousands of citizens have heard the universal call to love a neighbor like they would like to be loved themself. And so you'll see us continue to work with our neighborhood helpers and healers at the Federal level to encourage faith-based programs to flourish and exist.

I recognize that one person can't solve all of our society's problems, but one person can help save one life. And it's that accumulative effect, what I call the gathering momentum of millions of acts of kindness which take place on a daily basis, which literally can transform this country, one heart and one soul at a time.

I also want to talk to you about how to make sure our judiciary works well. It starts with me naming good people to serve on the bench, good, solid, honest, decent Americans who are willing to forgo the private practice of law, the comforts of private life, and serve on the Federal bench. And that's exactly what I've done. I've named some incredibly fine Americans to serve in this important part of our Government, and no finer American as Miguel Estrada. He is a man I have named, nominated for the DC Circuit Court of Appeals. When confirmed, he'll be the first Hispanic to serve on what they call the second most important court in America.

His story is the American story. His story—it's what makes this country so profound and so hopeful and so promising. After all, he came to the country from Honduras. He could barely speak English. He came as a teenage boy, had trouble with our native language, and yet ends up shortly thereafter in Harvard Law School as one of the top students. It speaks about a man who has a dream and works hard to achieve that dream, understands the value of education, overcame difficulties, and became one of the top law students out of Harvard.

He has argued 15 cases before the Supreme Court. He has taken his knowledge and capacity and argued before the highest court of our land. He has served in the Justice Department under Presidents from both political parties. He is a incredibly bright mind.

Yet, his nomination is being delayed and stalled by Democratic Senators. His nomination has been stalled for 2 years. They're blocking the vote on this good man for purely political reasons. The Senators are applying a double standard to Miguel Estrada by requiring him to answer questions that other judicial nominees over time have not been forced to answer. And that is not right, and that is not fair.

By blocking a vote on Miguel Estrada, some Democrats in the Senate are flaunting the intention of the United States Constitution and the tradition of the United States Senate itself. Alexander Hamilton wrote that the purpose of the Senate confirmation was

to prevent the appointment of unfit characters. No one can possibly call Miguel Estrada "unfit." The American Bar Association has given him its highest ratings—highest ratings. And he has the qualifications and the experience and the temperament to make an outstanding judge.

The partisans in the Senate are subjecting Miguel Estrada to an unfair double standard. Failing to allow an up-or-down vote—a vote which will pass—on Miguel Estrada's nomination is a travesty, an injustice being carried out by those responsible for helping to uphold justice in this country.

I want to thank you for your work on Miguel's nomination. I will stand by that man's side until he is sworn in as a judge.

And finally, we have been called to defend America and to keep the peace. We face a significant challenge, and that is to protect the homeland of the American people. Prior to September the 11th, 2001, we thought oceans would protect the homeland of the American people. We thought that history would continue to repeat itself, that this Nation was safe and secure, that if there was a gathering threat overseas, we could deal with it if we felt like dealing with it, but it was not a problem for the home people. Yet, on September the 11th, the world changed. It changed dramatically and sadly for thousands of citizens. It also changed for how this country must view our position in the world. The strategic vision of the country shifted.

We're doing everything we can here at home to secure the homeland. We've got agencies working overtime, people sharing information. Our borders are becoming more efficient. We want people, commerce to move freely, but we don't want terrorists to move freely. So we're doing as good a job as we possibly can to protect you. But the best way to secure the homeland is to find killers before they kill us and bring them to justice. And that's what we're going to do.

So we're on the hunt, on Al Qaida. This is a different kind of war. It's a war which requires a good intelligence-sharing, and it requires cutting off money. It requires specially skilled troops to smoke these people out of their caves and to bring them to justice. And that's what we're doing, one by one. Sometimes you'll see success, and sometimes you won't. You just got to know the mighty United States, along with 89 other countries in our coalition for Enduring Freedom, are doing everything we can to protect you and protect other people who love freedom.

There's also a threat gathering in Iraq. It's been gathering for a long period of time. The danger with Iraq is that he can strike in the neighborhood. And the danger with Iraq is that he has got the willingness and capacity to train Al Qaida-type organizations and provide them with equipment to hurt America.

The world has waited a long time for Mr. Saddam Hussein to disarm. They've waited a long time. He is a master of disguise and delay. He'll say, "Oh, I'm disarming," after he said he has no arms.

We will continue to work with our friends, people who understand the value of freedom. We will insist that the United Nation Resolution 1441 be adhered to in its fullest. After all, we want the United Nations to be a legitimate, effective body. But for the safety of the American people and for peace in the world, Saddam Hussein will be disarmed one way or the other. And this Nation does so for the sake of peace.

The use of our military is the absolute last option. It is the last alternative for the President. But the risk of doing nothing, the risk of assuming that Saddam Hussein will change, the risk of thinking and hoping for the best for the American people, far outweighs the risk of committing troops if we have to. The choice is Saddam Hussein's to make. It's been his to make all along. He gets to choose between peace and war.

And the other thing that is an inherent part of our view of Iraq is how I started the discussion here. See, we believe everybody matters; everybody counts. It doesn't matter your background, where you're from; everybody has worth. As I said in my State of the Union Address, liberty is not America's gift to the world; liberty is God's gift to human—to the human—mankind. And that's what we believe.

So in the days ahead, as we deal with this challenge facing our country, you need to know that the value of freedom and liberty will be at the forefront of a policy designed to make the world more peaceful and a policy designed to protect the American people.

Thank you for your interest. May God bless you all, and may God bless America.

NOTE: The President spoke at 10:30 a.m. in Presidential Hall in the Dwight D. Eisenhower Executive Office Building. In his remarks, he referred to Hans H. Hertell, U.S. Ambassador to the Dominican Republic; Jane Delgado, president and chief executive officer, National Alliance for Hispanic Health; Gov. Manuel Angel Nunez Soto of Hidalgo, Mexico; Alfredo Phillips Olmedo, former Managing Director, North American Development Bank; President Vicente Fox of Mexico; and President Saddam Hussein of Iraq. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

## Remarks to the American Enterprise Institute Annual Dinner

*February 26, 2003*

Thank you all very much. Thanks for the warm welcome. I'm proud to be with the scholars and the friends and the supporters of the American Enterprise Institute. I want to thank you for overlooking my dress code violation. [*Laughter*] They were about to stop me at the door, but Irving Kristol said, "I know this guy. Let him in." [*Laughter*]

Chris, thank you for your very kind introduction, and thank you for your leadership. I see many distinguished guests here tonight, members of my Cabinet, Members of Congress, Justice Scalia, Justice Thomas, and so many respected writers and policy experts. I'm always happy to see your senior fellow, Dr. Lynne Cheney. Lynne is a wise and thoughtful commentator on history and culture and a dear friend to Laura and me. I'm also familiar with the good work of her husband. [*Laughter*] You may remember him, the former director of my vice presidential search committee. [*Laughter*] Thank God Dick Cheney said yes.

Thanks for fitting me into the program tonight. I know I'm not the featured speaker. I'm just a warmup act for Allan Meltzer. But I want to congratulate Dr. Meltzer for a lifetime of achievement, and for tonight's well-deserved honor. Congratulations, Dr. Meltzer.

At the American Enterprise Institute, some of the finest minds in our Nation are at work on some of the greatest challenges to our Nation. You do such good work that my administration has borrowed 20 such minds. I want to thank them for their service, but I also want to remind people that for 60 years, AEI scholars have made vital contributions to our country and to our Government, and we are grateful for those contributions.

We meet here during a crucial period in the history of our Nation and of the civilized world. Part of that history was written by others; the rest will be written by us. On a September morning, threats that had gathered for years, in secret and far away, led to murder in our country on a massive scale. As a result, we must look at security in a new way, because our country is a battlefield in the first war of the 21st century.

We learned a lesson: The dangers of our time must be confronted actively and forcefully, before we see them again in our skies and in our cities. And we set a goal: We will not allow the triumph of hatred and violence in the affairs of men.

Our coalition of more than 90 countries is pursuing the networks of terror with every tool of law enforcement and with military power. We have arrested or otherwise dealt with many key commanders of Al Qaida. Across the world, we are hunting down the killers one by one. We are winning. And we're showing them the definition of American justice. And we are opposing the greatest danger in the war on terror, outlaw regimes arming with weapons of mass destruction.

In Iraq, a dictator is building and hiding weapons that could enable him to dominate the Middle East and intimidate the civilized world, and we will not allow it. This same tyrant has close ties to terrorist organizations and could supply them with the terrible means to strike this country, and America will not permit it. The danger posed by Saddam Hussein and his weapons cannot be ignored or wished away. The danger must be confronted. We hope that the Iraqi regime will meet the demands of the United Nations and disarm, fully and peacefully. If it does not, we are prepared to disarm Iraq by force. Either way, this danger will be removed.

The safety of the American people depends on ending this direct and growing