

into sustained economic growth. This economy is strong, and it can be stronger. I will work with Congress on a jobs and growth package to add momentum to the recovery and to put people back to work. And one of my first priorities for the new Congress will be an extension of unemployment benefits for Americans who need them.

We will also work to ensure that all Americans have access to high quality, affordable health care. We will keep our commitment to America's seniors by working to reform and modernize Medicare and include a prescription drug benefit to help seniors who are squeezed by rising drug prices. We will tackle the crisis of frivolous lawsuits that drive up the cost of health care.

We will continue to carry out the comprehensive education reforms signed into law last January, so no child in America is left behind. My administration will work

to continue to remove barriers that hinder the good work of faith-based and community groups. And we will work to reauthorize the historic welfare reform law that has improved so many lives.

Our successes in the past year have prepared the way for great progress in 2003. Working together, we can make America more prosperous and keep the peace in the world.

Thank you for listening, and Happy New Year.

NOTE: The address was recorded at 10:05 a.m. on December 27 at the Bush Ranch in Crawford, TX, for broadcast at 10:06 a.m. on December 28. The transcript was made available by the Office of the Press Secretary on December 27 but was embargoed for release until the broadcast. The Office of the Press Secretary also released a Spanish language transcript of this address.

Exchange With Reporters in Crawford, Texas December 31, 2002

The President. Hi, guys. Happy New Year to everybody. Laura and I wish all our fellow Americans a prosperous and peaceful and a happy new year. We are really happy to be spending New Year here in Crawford, Texas. We'll be having our New Year's hamburger here in a minute. [Laughter]

I'll be glad to answer a few questions—Ron [Ron Fournier, Associated Press] and Patsy [Patricia Wilson, Reuters] and Mike [Mike Allen, Washington Post].

Situation in North Korea

Q. Sir, I'd like to ask you if I could, why are you not considering military action against a defiant, unstable, unpredictable, nuclear-armed North Korea?

The President. I view the North Korean situation as one that can be resolved peacefully, through diplomacy. The international community, particularly those countries close to North Korea, understand the stakes involved. I had a very good visit with President-elect Roh of South Korea. I've obviously talked to Jiang Zemin right here in Crawford about a nuclear-weapons-free Peninsula.

There is strong consensus, not only amongst the nations in the neighborhood and our friends but also with international organizations such as the IAEA, that North Korea ought to comply with international regulations. I believe this can be done peacefully, through diplomacy, and we will continue to work that way. I take—all options, of course, are always on the table

for any President, but by working with these countries, we can resolve this.

Q. So you're not currently contemplating military action?

The President. Well, Ron, I believe this is not a military showdown; this is a diplomatic showdown. And we can resolve this peacefully and intend—

Q. Sir, you—

The President. Hold on for a second, please.

Q. Sorry, excuse me.

The President. And intend to work to resolve it peacefully. We've got good progress in talking to our friends. And I look forward to the fact that President-elect Roh is sending some people over here, and then he, himself, will come after he's been inaugurated.

Patsy, then John [John Roberts, CBS News].

North Korea/Iraq

Q. Sir, why should we be more worried about Saddam Hussein, who has no nuclear weapons, than Kim Chong-il, who is unstable and does have nuclear weapons?

The President. Well, first of all, I think it's important to remember that Saddam Hussein was close to having a nuclear weapon. We don't know whether or not he has a nuclear weapon. We do expect him to disarm his weapons of mass destruction; that's what we expect.

Secondly, the international community has been trying to resolve the situation in Iraq through diplomacy for 11 years. And for 11 years, Saddam Hussein has defied the international community. And now we've brought the world together to send a clear signal: We expect him to disarm, to get rid of his weapons of mass destruction. The first step in determining whether or not he would do that was discouraging. His declaration was short, and the international community recognized that, that he wasn't forthcoming.

Again, I hope this Iraq situation will be resolved peacefully. One of my New Year's

resolutions is to work to deal with these situations in a way so that they're resolved peacefully. But thus far, it appears that, on first look, that Saddam Hussein hasn't heard the message.

Q. Sir, can I ask a followup?

The President. Yes.

National Economy and War With Iraq

Q. Your budget directors put the possible cost of a war with Iraq at in line with the first Gulf war. Why shouldn't Americans view this possible war as possibly crippling our economy, that's already very slow?

The President. An attack from Saddam Hussein or a surrogate of Saddam Hussein would cripple our economy. My biggest job and most important job is to protect the security of the American people, and I am going to do that. And I have made the case and will continue to make the case that Saddam Hussein—a Saddam Hussein with weapons of mass destruction is a threat to the security of the American people.

Q. But can this economy afford to fight a war?

The President. This economy cannot afford to stand an attack. And I'm going to protect the American people. The economy is strong; it's resilient. Obviously, so long as somebody is looking for work, we've got to continue to make it strong and resilient. My most important job is to protect America and Americans, and I take that job seriously. And that's exactly what this administration is going to do.

John.

FBI Persons of Interest

Q. Sir, are you concerned about the report that five people have come across the Canadian border illegally? Are you concerned that there are any new threats to the American security right now, as we go into this new year?

The President. I am—I have authorized the Federal Bureau of Investigation, the

FBI, to put out an all-points bulletin for five individuals who we believe have been smuggled into the country. We need to know why they have been smuggled into the country, what they're doing in the country. And if anybody has any information about the five, I would hope they would contact their local authorities.

John, we don't have any idea of what their intentions may be, but we are mindful that there are still some out there who would try to harm America and harm Americans. And so, therefore, we take every threat seriously and every piece of evidence seriously. And the American people need to know there's a lot of good people working hard, whether it be on New Year's Eve or any other time, to protect the American people.

Mike, you got anything?

Republican Party and Minorities

Q. Yes. Good afternoon, Mr. President.

The President. Thank you.

Q. What effect do you think that—

The President. That's plenty. No. [Laughter]

Q. What effect do you think that the attention to Senator Lott's comment has had on the image of the Republican Party across the country? And what do you plan to do to repair any damage?

The President. Well, first of all, I think that most people understand that their Republican Party cares deeply about each individual, regardless of the color of their skin or their religion. And I will continue to promote policies that enable the American individual to achieve his or her dreams. I believe in equal access to the greatness of America. And this administration is committed to that and will continue to work toward that goal.

Yes. I'll show you how generous I am. [Laughter]

Domestic Safety in 2003

Q. Mr. President, looking ahead here, with a possible war with Iraq looming,

North Korea nuclear conflict, as well as Usama bin Laden still at large, is the world safer as we look ahead to 2003?

The President. Yes, it's a lot safer today than it was a year ago, and it's going to be safer after this year than it was this year, because the United States of America will continue to lead a vast coalition of freedom-loving countries to disrupt terrorist activities, to hold dictators accountable, particularly those who ignore international norm and international rule. And the American—this Government will continue lead the world toward more peace. And the American people need to be mindful of the fact that our Government is committed to peace and committed to freedom.

And we hope to resolve all the situations in which we find ourselves in a peaceful way. And so that's my commitment, to try to do so peacefully. But I want to remind people that Saddam Hussein—the choice is his to make as to whether or not the Iraqi situation is resolved peacefully.

You said we're headed to war in Iraq. I don't know why you say that. I hope we're not headed to war in Iraq. I'm the person who gets to decide, not you, and I hope this can be done peacefully. We've got a military presence there to remind Saddam Hussein, however, that when I say we will lead a coalition of the willing to disarm him if he chooses not to disarm, I mean it.

And we will continue to work to resolve the situation on the Korean Peninsula in a peaceful way. And it was right here in Crawford, Texas, where I had a meaningful and good discussions with Jiang Zemin. Heck, it wasn't all that long ago that a U.S. leader never spoke to the Chinese leader. And right here in Crawford, we had a dialog where we both committed ourselves to working in a way to convince Kim Chong-il that it's not in his country's interests to arm up with nuclear weapons. And I believe that can be resolved peacefully.

Listen, thank you all. I'm thinking about a little nature walk in a couple of days. Anybody interested?

Q. How far is it? How long is it?

The President. About 4 miles. I know you're interested.

Q. I have a question for you.

The President. Yes, Patsy. Sorry.

New Year's Resolution

Q. Did you keep last year's resolution to eat less cheeseburgers?

The President. A matter of fact, it's an interesting question she asked: Did I keep last year's resolution to eat less cheeseburgers? [*Laughter*] And the answer is yes,

to the extent that I'm now comfortable in having a cheeseburger today. [*Laughter*]

I hope you all are enjoying yourself here.

The First Lady. Happy New Year, everybody.

The President. Thank you. Good luck to you. See you.

NOTE: The exchange began at 12:50 p.m. at the Coffee Station restaurant. In the exchange, the President referred to President-elect Roh Moo-hyun of South Korea; President Jiang Zemin of China; and President Saddam Hussein of Iraq. A reporter referred to Chairman Kim Chong-il of North Korea; and Usama bin Laden, leader of the Al Qaida terrorist organization.

Statement on the Kenyan Democratic Elections *December 31, 2002*

I congratulate President Mwai Kibaki on his election as the third President of the Republic of Kenya and look forward to working with him. I also congratulate the Kenyan people who on December 27th demonstrated their deep commitment to democracy and provided to the world a clear example of peaceful, democratic change. And I commend former President Moi for his leadership and vision during this crucial period of democratic transition and for his years of leadership in the region.

The elections have opened a hopeful new chapter in Kenya's history. I commend the Presidential candidates, Uhuru Kenyatta and Simeon Nyachae, for peacefully accepting the outcome of the election and for pledging to work constructively within the democratic framework of the National Assembly. The United States will work closely with Kenya's new Government to deepen the strong and enduring friendship between the United States and Kenya and to help the new Government build a future of greater freedom, peace, and prosperity for all of Kenya's citizens.

Statement Calling for Congressional Action on a Pay Increase for the Federal Judiciary *December 31, 2002*

Today I have issued an Executive order entitled "Adjustments of Certain Rates of Pay." This order implements the January

2003 pay raise for members of the uniformed services and for Federal civilian