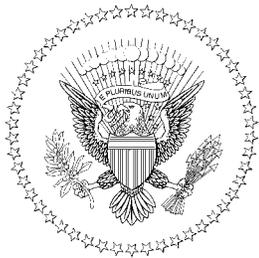


Weekly Compilation of
**Presidential
Documents**



Monday, August 11, 2003
Volume 39—Number 32
Pages 1029–1040

Contents

Addresses and Remarks

- Radio address—1029
- Texas
 - Secretary of Defense Rumsfeld, remarks following meeting in Crawford—1035
 - Secretary of State Powell, remarks following meeting in Crawford—1032

Communications to Congress

- Agreement Between the Parties to the North Atlantic Treaty for Co-operation Regarding Atomic Information, letter transmitting—1031
- Angola, letter transmitting final report on national emergency—1032
- Export Administration Act of 1979, letter on continuation of national emergency with respect to lapse—1034

Communications to Federal Agencies

- Imposition and Waiver of Sanctions Under Section 604 of the FY 2003 Foreign Relations Authorization Act, memorandum—1034

Communications to Federal Agencies—Continued

- Presidential Determination Pursuant to Section 2(c)(1) of the Migration and Refugee Assistance Act of 1962, as Amended, memorandum—1030
- Provision of Atomic Information to the Czech Republic, the Republic of Hungary, the Republic of Poland, and Spain, memorandum—1030

Interviews With the News Media

- Exchanges with reporters in Crawford, TX—1032, 1035

Notices

- Continuation of Emergency Regarding Export Control Regulations—1034

Supplementary Materials

- Acts approved by the President—1040
- Checklist of White House press releases—1040
- Digest of other White House announcements—1039
- Nominations submitted to the Senate—1040

Editor's Note: The President was at the Bush Ranch in Crawford, TX, on August 8, the closing date of this issue. Releases and announcements issued by the Office of the Press Secretary but not received in time for inclusion in this issue will be printed next week.

WEEKLY COMPILATION OF

PRESIDENTIAL DOCUMENTS

Published every Monday by the Office of the Federal Register, National Archives and Records Administration, Washington, DC 20408, the *Weekly Compilation of Presidential Documents* contains statements, messages, and other Presidential materials released by the White House during the preceding week.

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Week Ending Friday, August 8, 2003

The President's Radio Address

August 2, 2003

Good morning. This week, we received some encouraging news on the economy. The Nation's economy grew faster than expected in the second quarter. Manufacturers are receiving more orders, and their inventories need to be replenished. Homebuilders are busy meeting near-record demand, and retailers report that consumers are buying more goods. Many economists expect that growth will accelerate in the coming months.

Yet this week's employment report also shows that many Americans who want to work are still having trouble finding a job. My administration is acting to promote faster growth to encourage the creation of new jobs. The key to job growth is higher demand for goods and services. With higher demand, businesses are more likely to hire new employees.

The best way to promote growth and job creation is to leave more money in the pockets of households and small businesses instead of taxing it away. So we lowered income tax rates, cut taxes on dividends and capital gains, reduced the marriage penalty, and increased the child tax credit. This week, the checks for up to \$400 per child started arriving in the mailboxes of American families. That money will help American families move the economy forward.

We have also taken action to help small businesses, who are the job creators of America. We increased tax incentives for equipment purchases, giving small businesses an additional reason to invest. More orders for machinery and equipment means more jobs, and more business investment can lead to greater worker productivity, which helps raise worker wages.

We are starting to see results from our actions. My administration's economists believe that if we had not passed tax relief, our unemployment rate would have been nearly

one percentage point higher, and as many as 1.5 million Americans would not have the jobs they have today.

This week, three members of my Cabinet, Treasury Secretary John Snow, Commerce Secretary Don Evans, and Labor Secretary Elaine Chao, visited business owners and their workers in the Midwest. They received reports that the economy is picking up.

Last month, I met with Mike Gendich, who owns a part-making company in Michigan called Metalmite. Mike's customers are keeping him busier than he has been in 3 years, giving him reason to hire three new workers. Tax relief has given him reason to invest in new equipment to keep those workers productive. In Mike's words, tax relief "can be the difference between making an investment or not." When small-business owners like Mike make new investments, that can also be the difference between someone finding work or not.

Tax relief is one part of my aggressive, progrowth agenda for America's economy. We're negotiating free trade agreements with countries to create new markets for products made in America. Congress needs to pass a sound energy bill to ensure our Nation has reliable, affordable supplies of energy. And Congress needs to let small businesses join together to purchase affordable health insurance for their employees. We need legal reform to stop the frivolous lawsuits that are a drag on our economy. We have pushed Congress to make the child credit refundable for lower income families. And we're working to control spending in Washington, DC, so that Government spending does not rise any faster than the average household budget is expected to grow this year.

America's economy has challenges, and I will not be satisfied until every American looking for work can find a job. By steady, persistent action, we are preparing the way for vigorous growth and more jobs. I have confidence in our economic future because

I have confidence in the people whose effort and creativity make this economy run, the workers and the entrepreneurs of America.

Thank you for listening.

NOTE: The address was recorded at 11:53 a.m. on August 1 in the Cabinet Room at the White House for broadcast at 10:06 a.m. on August 2. The transcript was made available by the Office of the Press Secretary on August 1 but was embargoed for release until the broadcast. The Office of the Press Secretary also released a Spanish language transcript of this address.

Presidential Determination Pursuant to Section 2(c)(1) of the Migration and Refugee Assistance Act of 1962, as Amended

August 4, 2003

Presidential Determination No. 2003-29

Memorandum for the Secretary of State

Subject: Presidential Determination Pursuant to Section 2(c)(1) of the Migration and Refugee Assistance Act of 1962, as Amended

Consistent with section 2(c)(1) of the Migration and Refugee Assistance Act of 1962, as amended, 22 U.S.C. 2601(c)(1), I hereby determine that it is important to the national interest that up to \$26 million be made available from the U.S. Emergency Refugee and Migration Assistance Fund for a contribution to the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) to meet unexpected, urgent refugee needs in the West Bank and Gaza.

You are authorized and directed to inform the appropriate committees of the Congress of this determination and the obligation of funds under this authority, and to arrange for the publication of this memorandum in the *Federal Register*.

George W. Bush

[Filed with the Office of the Federal Register, 8:45 a.m., August 8, 2003]

NOTE: This memorandum was published in the *Federal Register* on August 11.

Memorandum on Provision of Atomic Information to the Czech Republic, the Republic of Hungary, the Republic of Poland, and Spain

August 4, 2003

Memorandum for the Secretary of Defense

Subject: Provision of Atomic Information to the Czech Republic, the Republic of Hungary, the Republic of Poland, and Spain

In your memorandum to me of July 18, 2003, you recommended that I approve pursuant to sections 123 and 144 b. of the Atomic Energy Act of 1954, as amended, an agreement for cooperation within the context of the North Atlantic Treaty Organization (NATO) as between the Government of the United States and the following four members of NATO: the Czech Republic, the Republic of Hungary, the Republic of Poland, and Spain, hereinafter the "New Parties." The subject agreement is the Agreement between the Parties to the North Atlantic Treaty for Co-operation Regarding Atomic Information, including a technical annex and security annex (hereinafter collectively referred to as the ATOMAL Agreement), which entered into force on March 12, 1965, with respect to the United States and the other members of NATO at that time.

Having considered your recommendations and the cooperation provided for in the ATOMAL Agreement with respect to the New Parties, in accordance with sections 123 and 144 b. of the Atomic Energy Act of 1954, as amended, I hereby:

a. Determine that the performance of the ATOMAL Agreement, including the proposed cooperation and the proposed communication of Restricted Data thereunder, with respect to the New Parties, will promote the common defense and security, and will not constitute an unreasonable risk to those interests.

b. Approve the ATOMAL Agreement with respect to the New Parties.

c. Authorize the Department of Defense to cooperate with the New Parties to the ATOMAL Agreement in the context of NATO upon satisfaction of the requirements

of section 123 of the Atomic Energy Act of 1954, as amended.

George W. Bush

**Letter to Congressional Leaders
Transmitting the Agreement
Between the Parties to the North
Atlantic Treaty for Co-operation
Regarding Atomic Information
August 4, 2003**

Dear Mr. Speaker: (Dear Mr. President:)

I am pleased to transmit to the Congress, consistent with sections 123 and 144 b. of the Atomic Energy Act, as amended (42 U.S.C. 2153 and 2164(b)), the text of the Agreement between the Parties to the North Atlantic Treaty for Co-operation Regarding Atomic Information, including a technical annex and security annex (hereinafter collectively referred to as the ATOMAL Agreement), as a proposed agreement for cooperation within the context of the North Atlantic Treaty Organization (NATO) between the United States of America and each of the following four members of NATO: the Czech Republic, the Republic of Hungary, the Republic of Poland, and Spain, hereinafter the "New Parties." I am also pleased to transmit my written approval, authorization and determination concerning the ATOMAL Agreement with respect to the New Parties. The ATOMAL Agreement entered into force on March 12, 1965, with respect to the United States and the other NATO members at that time. The New Parties have signed this agreement and have indicated their willingness to be bound by it. The ATOMAL Agreement with respect to the New Parties meets the requirements of the Atomic Energy Act of 1954, as amended. While the ATOMAL Agreement continues in force with respect to its original parties, for the United States it will not become effective as an agreement for cooperation authorizing the exchange of atomic information with respect to the New Parties until completion of procedures prescribed by sections 123 and 144 b. of the Atomic Energy Act of 1954, as amended.

For more than 35 years, the ATOMAL Agreement has served as the framework within which NATO and the other NATO

members party to this agreement have received the information that is necessary to an understanding and knowledge of and participation in the political and strategic consensus upon which the collective military capacity of the Alliance depends. This agreement permits only the transfer of atomic information, not weapons, nuclear material or equipment. Participation in the ATOMAL Agreement will give the Czech Republic, the Republic of Hungary, the Republic of Poland, and Spain the same standing within the Alliance with regard to nuclear matters as that of the other NATO members. This is important for the cohesiveness of the Alliance and will enhance its effectiveness.

I have considered the views and recommendations of the Department of Defense and other interested agencies in reviewing the ATOMAL Agreement and have determined that its performance, including the proposed cooperation and the proposed communication of Restricted Data thereunder, with respect to the New Parties will promote, and will not constitute an unreasonable risk to, the common defense and security. Accordingly, I have approved the ATOMAL Agreement with respect to the New Parties and authorized the Department of Defense to cooperate with the New Parties in the context of NATO upon satisfaction of the requirements of section 123 of the Atomic Energy Act of 1954, as amended.

In accordance with the Atomic Energy Act of 1954, as amended, I am submitting to each house of Congress an authoritative copy of the ATOMAL Agreement as signed by each of the New Parties, together with a copy of the letter from the Secretary of Defense recommending my approval of the ATOMAL Agreement with respect to the New Parties and a copy of my approval letter. The 60-day continuous session period provided for in section 123 begins upon receipt of this submission.

Sincerely,

George W. Bush

NOTE: Identical letters were sent to J. Dennis Hastert, Speaker of the House of Representatives, and Richard B. Cheney, President of the Senate.

**Letter to Congressional Leaders
Transmitting the Final Report on the
National Emergency With Respect to
Angola**

August 4, 2003

Dear Mr. Speaker: (Dear Mr. President:)

Consistent with section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), and section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c), I am transmitting a final report prepared by my Administration on the national emergency with respect to the National Union for the Total Independence of Angola (UNITA) that was declared in Executive Order 12865 of September 26, 1993, and terminated in Executive Order 13298 of May 6, 2003.

Sincerely,

George W. Bush

NOTE: Identical letters were sent to J. Dennis Hastert, Speaker of the House of Representatives, and Richard B. Cheney, President of the Senate. This letter was released by the Office of the Press Secretary on August 5.

**Remarks Following a Meeting With
Secretary of State Colin L. Powell
and an Exchange With Reporters in
Crawford, Texas**

August 6, 2003

The President. First, it's been my real privilege and honor to welcome the Secretary of State back to Crawford. He and Dick Armitage came, and we spent yesterday evening and this morning talking about our country's desire to promote peace and freedom, our obligations as a prosperous and strong nation to help the less fortunate. And we had a good strategy session, and now we're about to go out and brand some cows—well, not exactly. [*Laughter*]

Liberia

Q. Sir, what are your thoughts—

The President. Let me answer a couple of questions and we'll—a little more order here to this particular press coverage, because this is Crawford.

Q. I'm sorry.

Q. Thanks, Mr. President. You sent an advance force, or you're authorizing an advance force in Liberia. Does this signal the start of a larger force in Liberia?

The President. This is all part of determining what is necessary to help ECOWAS—now called ECOMIL—to go in and provide the conditions necessary for humanitarian relief to arrive, whether it be by sea or by air. And it's part of what we said we would do.

Q. Do you still want Taylor out? Is that still a condition, a hard condition?

The President. Yes, we would like Taylor out. And the Secretary may want to comment on this; he's working hard with the—you know, the U.N. and others to insist that Mr. Taylor leave.

Secretary Powell. We still expect President Taylor to leave. I'm pleased at what ECOWAS has been able to do. The Nigerians showed up in good order; more forces are arriving; and they're starting to establish a sense of security and I think put hope back in the hearts of the Liberian people. And we want to support them and assist them, as the President said.

The President. Patsy [Patricia Wilson, Reuters].

Q. Sir—

Q. I'm sorry, what do you want from the American troops?

The President. [*Inaudible*—you seem to be dominating here. [*Laughter*]

Q. Sir, do you want the—sorry.

The President. It's okay; it's good; it's very aggressive. Your editors appreciate it.

Israeli Security Fence

Q. Do you want the Israelis to stop construction of the fence or just reroute it? And will you use loan guarantees to persuade them?

The President. We're talking to Israel about all aspects of the fence. I made it clear I thought the fence was a problem, and so we're talking with them, and we'll continue to work on this issue as well as other issues. I do believe we're making progress. The key for a peace to happen is for both parties to assume their necessary obligations and responsibilities to create the conditions so that

people have confidence, that people know that their lives will be safe, and that prosperity can break out. And we're making progress there.

Stretch [Richard Keil, Bloomberg News], and then we'll go to you, John, and then Elizabeth. You've got to speak above the train.

Tax Relief/National Economy

Q. I'm competing here with the train. Do you think you've done enough at this point to stimulate the economy? Is it a matter of just kind of letting things that you've put into place take effect, take hold, or is there more that needs to be done?

The President. Look, there's no question that the tax relief—

[At this point, a passing train whistled.]

The President. First, we've got to have better rail transportation. [Laughter]

The tax cuts will help a lot. And the second round of tax relief is now ending up in the pockets of our fellow citizens. The child tax credit checks are now being mailed. And that's going to help. But there needs to be more. And there needs to be an energy plan. There needs to be good litigation reform. I believe we can get a good class action lawsuit out of the Senate if we continue to work the issue. I also know that we need to make sure we continue this notion of reminding the investors and consumers alike that we're going to have fiscal discipline in Washington, DC. So yes, there's more we can do and will do.

Secretary Powell's Tenure

Q. Sir, you've seen the report that Secretary Powell and Secretary Armitage are going to leave at the end of this administration. Do you expect them to stay on if there is a second Bush administration? Would you like them to?

The President. Well, first things first; we hope there is a second Bush administration. And I will work hard to convince the American people that their confidence in me is justified. And we'll deal with it at the right time.

Listen, this guy has done a fabulous job. And I—Washington, particularly in August, is a dangerous period—a dangerous time because there's a lot of speculation. And all I

can tell you is, the man flies to Crawford and we spent a good 24 hours talking about how we're going to work together to make the world a better place.

Q. But Mr. President, you said, "We'll deal with it"—

The President. Yes, Elizabeth.

Q. ——"we'll deal with it at the right time." That isn't "yes."

The President. Deal with what at the right time?

Q. With whether Secretary Powell will serve in a second term. Is that "yes" or "no?" I mean, are you going to offer him a spot in the second term?

Secretary Powell. I don't have a term. I serve the President. [Laughter]

Q. No, the President—

The President. Elizabeth, look, first things first, and that is, we've got a year and a while during my first term to make the world a more peaceful place, and we'll deal with it. Washington loves speculation. Clearly, you love speculation. You love it. You love to speculate about—

Q. It wasn't my story. [Laughter]

The President. Let me finish, please. You love to speculate about whether so-and-so is going to be a part of the administration or not. And I understand the game. But I have got to do my job, and I'm going to do it. And I'm going to do it with the Secretary of State. And the fact that he is here in Crawford, Texas, talking about issues of importance, should say loud and clear to the American people that he's completely engaged in doing what he needs to do, and that is serve as a great Secretary of State.

Q. Do you want to serve more than 4 years, Mr. Secretary?

Secretary Powell. I serve at the pleasure of the President, and this is all August speculation with no basis in fact. There was no basis for this story to begin with, and we're doing our jobs together.

The President. All right. We're going to get a burger. Thank you.

NOTE: The President spoke at 11:45 a.m. at the Coffee Station restaurant. In his remarks, he referred to President Charles Taylor of Liberia. A portion of these remarks could not be verified because the tape was incomplete.

**Notice—Continuation of Emergency
Regarding Export Control
Regulations**

August 7, 2003

On August 17, 2001, consistent with the authority provided me under the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*), I issued Executive Order 13222. In that order, I declared a national emergency with respect to the unusual and extraordinary threat to the national security, foreign policy, and economy of the United States in light of the expiration of the Export Administration Act of 1979, as amended (50 U.S.C. App. 2401 *et seq.*). Because the Export Administration Act has not been renewed by the Congress, the national emergency declared on August 17, 2001, and renewed on August 14, 2002, must continue in effect beyond August 17, 2003. Therefore, in accordance with section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)), I am continuing for 1 year the national emergency declared in Executive Order 13222.

This notice shall be published in the *Federal Register* and transmitted to the Congress.

George W. Bush

The White House,
August 7, 2003.

[Filed with the Office of the Federal Register,
8:58 a.m., August 8, 2003]

NOTE: This notice was published in the *Federal Register* on August 11.

**Letter to Congressional Leaders on
Continuation of the National
Emergency With Respect to the
Lapse of the Export Administration
Act of 1979**

August 7, 2003

Dear Mr. Speaker: (Dear Mr. President:)

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)), provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the *Federal Register* and transmits to the

Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice, stating that the emergency caused by the lapse of the Export Administration Act of 1979, as amended, is to continue in effect beyond August 17, 2003, to the *Federal Register* for publication.

Sincerely,

George W. Bush

NOTE: Identical letters were sent to J. Dennis Hastert, Speaker of the House of Representatives, and Richard B. Cheney, President of the Senate.

**Memorandum on Imposition and
Waiver of Sanctions Under Section
604 of the FY 2003 Foreign Relations
Authorization Act**

August 7, 2003

Presidential Determination No. 2003-30

Memorandum for the Secretary of State

Subject: Imposition and Waiver of Sanctions Under Section 604 of the FY 2003 Foreign Relations Authorization Act (Public Law 107-228)

Consistent with the authority contained in section 604 of the FY 2003 Foreign Relations Authorization Act (Public Law 107-228) (the "Act"), and with reference to the determinations set out in the report to the Congress transmitted herewith, consistent with section 603 of that Act, regarding noncompliance by the PLO and the Palestinian Authority with certain commitments, I hereby impose the sanction set out in section 604(a)(2) "Downgrade in Status of the PLO Office in the United States." This sanction is imposed for a period of 180 days from the date hereof or until such time as the next report required by section 603 of the Act is transmitted to the Congress, whichever is later. You are authorized and directed to transmit to the appropriate congressional committees the initial report described in section 603 of the Act.

Furthermore, I hereby determine that it is in the national security interest of the

United States to waive that sanction, pursuant to section 604 of the Act. This waiver shall be effective for a period of 180 days from the date hereof or until such time as the next report required by section 603 of the Act is transmitted to the Congress, whichever is later. You are hereby authorized and directed to transmit this determination to the Congress and to publish it in the *Federal Register*.

George W. Bush

Remarks Following a Meeting With Secretary of Defense Donald H. Rumsfeld and an Exchange With Reporters in Crawford, Texas August 8, 2003

The President. We've had a fascinating discussion on a variety of subjects with Secretary Rumsfeld and Chairman Dick Myers. Of course, the Vice President is here. As an aside, the Vice President and I went fishing; we threw our first lure at about 6:20 a.m. this morning. Looks like—turns out the fish like cooler weather than hot weather; probably the press corps feels the same way.

Turns out this is our hundredth day since major military operations have ended, ended in Iraq. And since then, we've made good progress. Iraq is more secure. The economy of Iraq is beginning to improve. I was interested to note that banks are now opening up and the infrastructure is improving. In a lot of places, the infrastructure is as good as it was at pre-war levels, which is satisfactory, but it's not the ultimate aim. The ultimate aim is for the infrastructure to be the best in the region. And the political process is moving toward democracy, which is a major shift of system in that part of the world.

And we're pleased with the progress, but we know we've got a lot more work to do. And the Secretary was briefing me on the ongoing security operations and the status of our forces. But I can say—and I think he can say—progress is being made not only in Iraq but in Afghanistan as well.

And then we spent time making sure that our military is configured in such a way as to represent the modern era, which means

it will be more likely that the world will be peaceful. A modern, strong, light, active military will make it easier to keep the peace, and after all, that's the objective of the administration, is to promote freedom and peace. And the Secretary and his team are doing a really good job for the American people.

Welcome back to the ranch, Mr. Secretary. We're thrilled you're here.

Secretary Rumsfeld. Thank you, sir.

The President. We'll be glad to answer a few questions. Let's start with the wires, of course.

Iraq

Q. Thanks, Mr. President. You talked about progress, but there's some unfinished business in Iraq, also.

The President. Yes——

Q. No Saddam——

The President. ——that's what I also said, we've got more to do.

Q. To be specific, no Saddam, no weapons, 56 soldiers have died in this 100 days——

The President. Right.

Q. ——including one last night. What can you tell the American people about how many more soldiers will die? And also, your commander in Iraq said yesterday, "Two years, absolute minimum." Is that an assessment you share?

The President. Well, first of all, we suffer when we lose life. I mean, our country is a country that grieves with those who sacrifice, and our heartfelt sympathies and appreciation go to the loved ones of any soldier who's willing to defend the security of the United States, and that's what they're doing in Iraq. It's very important to people to understand that this is a part of the war on terror, that we're dealing with terrorists today.

We learned a lesson on September the 11th, and that is, our Nation is vulnerable to attack. And we're doing everything we can to protect the homeland by making the Homeland Defense Department effective in securing the borders. But the best way to secure America is to get the enemy before they get us, and that's what's happening in

Iraq. And we're grateful for the sacrifices of our soldiers.

I said, Scott [Scott Lindlaw, Associated Press], right after September the 11th, that this war on terror is a different kind of war, and it's going to take a while to win the war on terror. However long it takes to win the war on terror, this administration is committed to doing that, because our most solemn obligation is the protection of the American people.

And as I said, the Secretary and I discussed what's happening inside of Iraq, and we've got a lot of brave soldiers slowly but surely demolishing the elements of the Ba'athist regime, those foreign terrorists who feel like they can use Iraq as a place to arm up and inflict casualty or perhaps gain strength to come and attack Americans elsewhere.

We've been there a hundred days. We've made a lot of progress in a hundred days, and I am pleased with the progress we've made but fully recognize we've got a lot more work to do.

Do you want to add to that, Mr. Secretary?

Secretary Rumsfeld. No, sir. [Laughter]

Q. Should people expect 2 more years, at least?

The President. The American people should suspect that this administration will do what is necessary to win the war on terror. That's my pledge to the American people. They have got to understand that I will not forget the lessons of September the 11th. And those lessons are loud and clear that there are people who want to inflict harm on the American people. We lost 3,000-plus on that fateful day. And you know, I made the pledge to the American people and the families and those who grieved that we will hunt down the terrorists wherever they are and bring them to justice. And that's what we're going to do.

Steve [Steve Holland, Reuters].

California Gubernatorial Candidate Arnold Schwarzenegger

Q. What do you think of Arnold Schwarzenegger, and would you consider campaigning for him?

The President. I will never arm wrestle Arnold Schwarzenegger. [Laughter] No mat-

ter how hard I try, I'll never lift as much weight as he does.

I think it's interesting. You know, I'm a follower of American politics. I find what's going on in the State of California very interesting, and I'm confident the citizens of California will sort all this out for the good of the citizenry.

Q. Would he be a good Governor?

The President. As I say, I'm interested in the process. It's fascinating to see who's in and who's out, and yes, I think he'd be a good Governor.

Israeli Security Fence

Q. Mr. President, there are reports today that Israel is willing, perhaps, to reroute the security fence it's been building. Is that enough of a concession by the Israelis, or should they abandon construction of the fence altogether?

The President. Well, Dick [Richard Keil, Bloomberg News], let me put the fence and these issues into a larger perspective, if I might. In order for a Palestinian state to emerge, a couple of things must happen. First, the Palestinians, the people in the neighborhood, must deal with terror, must rout out those who would like to destroy the process.

The fence, by the way, is a reaction to days when there were terror. I've said the fence is a problem because the fence is, you know, kind of meanders around the West Bank, which makes it awfully hard to develop a contiguous state over time. And so I've said we'd talk to the Israelis, and we are, about the fence. But we must have the fence in the context of the larger issue, and the larger issue is, will the conditions be such that a state can emerge? It's important for a Palestinian state to emerge, in our judgment, because the world will be more peaceful, Israel will be more secure and more—or as importantly, the Palestinians will have hope. But all parties must work against those who would make it very difficult to achieve the vision.

Q. Are you regarding it as a step forward, a sign of progress?

The President. Well, as I said—look, the Israelis are willing to work with us. They've said, "We'd consult." We're consulting. In

order for there to be the progress that needs to be made, there needs to be security. The fence was a reaction to—in some ways, a reaction to the days of the *intifada*. And the more secure Israel feels, the more likely there will be a peaceful state. The more secure the region is, the more likely institutions necessary for the development of a Palestinian state will emerge.

And so on all these issues, we'll deal, of course, with both parties. We're staying very active; Ambassador Wolf is doing a fine job there. But it's important to put all these issues in the larger context of what is necessary to achieve what we think—what I think will be great for the region, that is a peaceful Palestinian state.

Larry [Larry McQuillan, USA Today].

Iraq

Q. Mr. President, you've given us an update on Iraq and progress in stabilization there. At this point, are you able to give us even a ballpark estimate of what it may cost, say, in the next fiscal year? And will Americans be the ones who bear most of the cost of that?

The President. Two points there: One, we generally don't do our estimates on the back of an envelope. In other words, by that I mean the commanders in the field will be dealing with the Secretary of Defense. Jerry Bremer will be bringing recommendations. And of course, we'll go to the Congress in order to fund any requests, and the requests will be well-thought-out, based upon some variables. And one of the key variables is how much money we can get other nations to contribute to the reconstruction efforts of Iraq or how many other nations are willing to contribute forces.

So therefore, this is a—you know, the budgeting process is one that's ongoing. It's an iterative process, I guess is the best way to put it. "Iterative" is the right word, do you think?

Secretary Rumsfeld. Yes.

The President. In other words—

Q. Is it too fluid, then? I mean, you're saying, because until we know how many people are going to help—

The President. No, at some point in time, Larry—no, it's fluid up to a point, but obvi-

ously we're going to have to make a request. And when we do, it will be a request based upon sound judgment. It will be a well-thought-out request. It will be one where the Congress will be able to ask legitimate questions like you're asking and will be answered. And they're now in the process of coming up with a—the basis for a request to the United States Congress.

You know, I remember, by the way, the initial stages of the war in Iraq. And the questions were, "How long is it going to take?" I think it kind of echoes the question that Scott asked: "How long will you be there? How long will it take?" And I can remember saying, "As long as necessary." Remember? I don't know if you remember the offensive stage of the war. You were doing an interesting job of trying to get us to make absolute predictions. And what is necessary is to achieve an overall strategy, and whatever it takes to achieve the strategy, this administration is committed to.

Q. But you know, going into that, sir, you actually gave a pretty accurate prediction of what that would cost.

The President. Going into it, right, and we'll give you an accurate projection of what it's going to cost next year at the appropriate time. But also going into it, there was the timetable question, which also relates to spending. And that is, "Why won't you tell us how long it's going to take?" My answer was, "How long? However necessary is how long it will take." And that's the way we feel now. And we are working hard to bring other nations to bear responsibility in Iraq.

I want to say something about Afghanistan. Germany has taken a very active role in Afghanistan, and we're very thankful for that. As NATO steps forward, Germany has assumed a big responsibility. And we really appreciate the German participation. And the reason I bring that up is, is that that's a change from 6 months ago. And not only is Germany's participation important, it's robust, more robust than we would have anticipated. I look forward to thanking Chancellor Schroeder for that.

And Larry, the point there is, is that things do change. And we will have a budget that is as accurate as it can possibly be when we go to the Congress, because we understand

the questions our planners and operators will receive. And they will come with good, sound data.

Dana [Dana Bash, Cable News Network], and then Mark [Mark Knoller, CBS Radio]. We've got to get in before we have a heat stroke—[*laughter*—before you have a heat stroke, excuse me. [*Laughter*]

Iran

Q. Mr. President, for you and for Secretary Rumsfeld, please. Secretary Rumsfeld, did you authorize Pentagon officials to hold some secret talks with Iran-Contra figure Manucher Ghorbanifar, in order to push for a regime change in Iran? And Mr. President, do you think that's a good idea, and is the new policy—official policy regime change in Iran?

Secretary Rumsfeld. I had not had a chance to see these articles—or an article that I guess exists. I did get briefed by Condi and Larry DiRita here a minute ago. And my understanding is that some—one or two Pentagon people were approached by some people who had information about Iranians that wanted to provide information to the United States Government, that a meeting did take place—this is more than a year ago—that such a meeting did take place and the information was moved around the inter-agency process to all the departments and agencies. And it dropped. That is to say, the—as I understand it, there wasn't anything there that was of substance or of value that needed to be pursued further.

Q. But it's your understanding that this wasn't intended to sort of go around any other talks that have been going on; these are unofficial talks with the Iranians?

Secretary Rumsfeld. Oh, absolutely not. I mean, everyone on the interagency process, I'm told, was apprised of it, and it went nowhere. It was just—this happens, of course, frequently, people come in offering suggestions or information or possible contacts, and sometimes they are pursued. Obviously, if it looks as though something might be interesting, it's pursued. If it isn't, it isn't.

The President. Well, we support the aspirations of those who desire freedom in Iran. Mark.

Democrat Presidential Candidates/Iraq

Q. Mr. President, what's your response to the Democrats, including Al Gore yesterday and some of the Democratic Presidential candidates, who say that the American people were misled in advance of the war about the reasons for going to war—that you said disarming Iraq was the main purpose, but since then, no weapons of mass destruction have been found?

The President. I say it's pure politics.

Listen, thank you all. Have a beautiful day.

Q. Do you want to say more than that?

The President. No, it's just pure politics. We've got a lot of people running for President, and it's pure politics. The American people know that we laid out the facts. We based the decision on sound intelligence, and they also know we've only been there for 100 days. And we're making progress. A free Iraq is necessary for a—is an integral part of the war on terror. And as far as all this political noise, it's going to get worse as time goes on, and I fully understand that. And that's just the nature of democracy. Sometimes pure politics enters into the rhetoric.

Thank you all.

European Union-U.S. Relations

Q. One on Germany? Do you think that signals a shift that Europe might be coming around to helping out in Iraq now?

The President. Oh, I think that we're getting—I mean, look, Great Britain has been helping out in Iraq for a long period of time. Poland has been helping out in Iraq. I mean, we've got a lot of people helping out in Iraq. And I thought that the German decision in Afghanistan was an important decision, and we're grateful for that.

Listen, thank you all.

U.S. Troop Strength

Q. Would you mind if I just asked about the meeting you had?

The President. Sure, go ahead and ask about the meeting.

Q. I mean, I know that's unusual, but—

The President. Beautiful meeting. [*Laughter*]

Q. But you know, are you now satisfied that maybe after reviewing our force strength that American forces are not stretched too

thin by the war on terrorism or maybe potentially could be down the road?

The President. I'm satisfied.

Secretary Rumsfeld. We discussed that in the meeting, and it's a fair question. Needless to say, when you have a spike in activity, a crisis in Iraq, it is important to review those questions. Dick Myers and his folks in the military review them continuously.

We have found there are literally two or three—well, about two dozen things we can do that we reduce stress on the force, and the cost of adding end strength is significant. The time it takes to bring them in, recruit them, train them, equip them means there is a significant lag. So it's not something one does quickly. And as a result, we've got a major effort going on to take advantage of all the things we can do to increase the kinds of ways we can relieve that stress on the force. And it looks to me like we're going to be able to do that.

And on the other hand, our country can afford to pay for forces at the level that can help defend and protect us. And to the extent at any point it looks as though an end-strength increase is appropriate, we obviously would recommend it, but we certainly don't see the evidence of that at the present time.

The President. Thank you.

President's Vacation

Q. Any new 100-Degree Club members?

The President. Yesterday we added one.

Q. Do we know him?

The President. A Secret Service agent.

Q. Are you going running today?

The President. No, I'm not.

Q. Did Dick Cheney catch anything?

The President. Dick Cheney—he's a great fly fisherman. [*Laughter*]

NOTE: The President spoke at 11:47 a.m. at the Bush Ranch. In his remarks, he referred to Assistant Secretary of State for Nonproliferation John S. Wolf; L. Paul Bremer III, Presidential Envoy to Iraq; and Chancellor Gerhard Schroeder of Germany. Secretary Rumsfeld referred to Acting Assistant Secretary of Defense for Public Affairs Larry DiRita. A reporter referred to former Vice President Al Gore. A portion of these remarks could not be verified because the tape was incomplete.

Digest of Other White House Announcements

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.

August 2

In the morning, the President had an intelligence briefing. Later, he traveled to the National Naval Medical Center in Bethesda, MD, where he had his annual physical examination and visited U.S. military personnel injured in operations in Iraq.

Later in the morning, the President traveled to the Bush Ranch in Crawford, TX.

August 3

In the morning, the President had a telephone conversation with members of the U.S. women's gymnastics team to congratulate them on winning a gold medal at the Pan American Games in the Dominican Republic.

August 4

In the morning, the President had an intelligence briefing.

August 5

In the morning, the President had an intelligence briefing.

In the evening, the President had dinner with Secretary of State Colin L. Powell and Deputy Secretary of State Richard L. Armitage.

The President announced his intention to nominate David L. Lyon to be Ambassador to Kiribati.

The President announced his intention to nominate William A. Chatfield to be the Director of Selective Service.

August 6

In the morning, the President had an intelligence briefing. Later, he had a meeting and then lunch with Secretary Powell and Deputy Secretary Armitage.

August 7

In the morning, the President had intelligence and national security briefings.

August 8

In the morning, the President had an intelligence briefing. Later, he met with Vice President Dick Cheney, Secretary of Defense Donald H. Rumsfeld, Chairman of the Joint Chiefs of Staff Gen. Richard B. Myers, USAF, National Security Adviser Condoleezza Rice, and other officials to discuss military issues.

**Nominations
Submitted to the Senate**

NOTE: No nominations were submitted to the Senate during the period covered by this issue.

**Checklist
of White House Press Releases**

The following list contains releases of the Office of the Press Secretary that are neither printed as items nor covered by entries in the Digest of Other White House Announcements.

Released August 2

Transcript of a press gaggle by Press Secretary Scott McClellan

Released August 4

Transcript of a press gaggle by Press Secretary Scott McClellan

Released August 5

Transcript of a press gaggle by Press Secretary Scott McClellan

Released August 7

Transcript of a press gaggle by Deputy Press Secretary Claire Buchan

Advance text of remarks by National Security Adviser Condoleezza Rice at the 28th Annual Convention of the National Association of Black Journalists

Released August 8

Statement by the Deputy Press Secretary announcing that the President signed H.R. 2859

**Acts Approved
by the President**

NOTE: No acts approved by the President were received by the Office of the Federal Register during the period covered by this issue.