

and Secondary Education Act of 1965 (Public Law No. 89-10).

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

December 11, 2003

Presidential Determination No. 2004-14

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 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 Announcing the Nomination of Alphonso Jackson To Be Secretary of Housing and Urban Development and an Exchange With Reporters

December 12, 2003

The President. Good afternoon. I am pleased to announce that I will nominate Alphonso Jackson of Dallas, Texas, to serve as Secretary of Housing and Urban Development.

Since 2001, Alphonso Jackson has given fine service as Deputy Secretary of the Department, responsible for many of the day-to-day operations of HUD. In his career, Alphonso has been a senior administrator of housing agencies in three cities, St. Louis and Washington and Dallas. He's an experienced executive in the public and private sectors, a man who knows the issues facing HUD and knows how to get things done.

I can tell you from personal experience that Alphonso is a man of great integrity and compassion. We used to live in the same neighborhood in Dallas. [Laughter] I used to drop by for an occasional cup of coffee, sometimes unannounced. [Laughter] I'm pleased that he has agreed to join my Cabinet.

I'm also grateful to former Secretary Martinez, Mel Martinez, for his outstanding leadership of HUD over the past 3 years. These have been years of important progress for the Department, for its mission, and for the families across America that benefit from its good work. Over the last 3 years, homeownership in America has reached its highest level ever, and in the last 18 months, more than a million minority citizens have become homeowners.

As leader of HUD, Mel has repaid my confidence many times over. He is a good man and a good friend, and I thank him for his service to our Nation, and I wish Mel and Kitty all the very best.

With the Senate's approval, Mel Martinez will be succeeded by another man who understands the struggles and hopes of urban America. Alphonso Jackson grew up in a family with 12 children, a housing challenge unto itself. [Laughter] His dad, Arthur, worked

three jobs, educated his children, and instilled the values that have carried his son far in life.

These values and experiences have also shaped the priorities Alphonso brings to his new assignment. He believes, as I do, that homeownership is a source of stability for our communities and a source of dignity for our families. He believes our Government can provide effective help to our fellow citizens who are homeless, and he has seen how entire neighborhoods can turn themselves around with strong local leadership and the help of our Federal Government. Alphonso is just the man to carry on the work of compassionate conservatism in America's cities.

Laura and I have known Alphonso and Marcia for many years. They're close friends, and I appreciate you coming, Marcia. I also want to welcome the other members of your family who are here.

Alphonso is a friend, and he's one of the most experienced and respected authorities on housing policy in America. He will be a superb Secretary of Housing and Urban Development. I want to thank you for accepting this assignment and congratulate you, my friend.

[At this point, Deputy Secretary Jackson made brief remarks.]

The President. I thought I would answer a couple of questions. Jennifer [Jennifer Loven, Associated Press].

Halliburton Operations in Iraq

Q. Yes, sir, thank you. With the Pentagon looking into the Halliburton contract, are you concerned that that gives some fuel to your critics that the contract was inappropriate in the first place?

The President. I appreciate the Pentagon looking out after the taxpayers' money. They felt like there was an overcharge issue. They put the issue right out there on the table for everybody to see, and they're doing good work. We're going to watch—we're going to make sure that as we spend the money in Iraq that it's spent well and spent wisely. And their investigation will lay the facts out for everybody to see. And if there's an overcharge, like we think there is, we expect that money to be repaid.

Randy [Randall Mikkelsen, Reuters].

Middle East Peace Process

Q. Mr. President, Secretary Powell has been meeting with unofficial Middle East peace negotiators, despite Israel's objections. And there's other signs of U.S. dissatisfaction with Israel. My question is, what does Israel need to do to convince you that it's doing its part in the peace process?

The President. Randy, you may remember I gave the speech on June 24, 2002. I laid out exactly what I think must happen in order for us to achieve peace in the Middle East, in order for the Palestinian state to emerge that is at peace with Israel. And I haven't changed my opinion. Step one is for all parties to fight off terror, to stop the few from destroying the hopes of the many. Step two is for the Palestinians to find leadership that is willing to reject the tired old policy of the past and lead the Palestinian people to not only a democratic state but a peaceful solution of differences.

Israel must be mindful that the decisions they make today will make it difficult to create—must be mindful that they don't make decisions that make it hard to create a Palestinian state. It's in Israel's interests there be a Palestinian state. It's in the poor, suffering Palestinian people's interest there be a Palestinian state. The Arab world has got responsibilities to see that this vision be implemented.

Q. But why these contacts with the unofficial negotiators?

The President. I'm sure the Secretary of State meets with all kinds of people all the time. But the policy of this administration was laid out in the Rose Garden for everybody to see, everybody to listen to.

You might remember I took that policy to Aqaba, Jordan. I stood up in front of the world and said this man has—he, Abu Mazen, came to the Oval Office and said, "I'm willing to join you, Mr. President, to help fight off terror," because he understood that terror was what was preventing progress from being made. He said, "I'm willing to work to put the institutions in place for a Palestinian state." And as we began to make progress, he got shoved aside, and that's why we're stalled where we are today.

It is time for Palestinian leadership to emerge that believes in peace and believes in the aspirations of the Palestinian people.

April [April Ryan, American Urban Radio Networks], I see you've got something that you'd like to ask. First, let me ask you a question. As you're heading into—my turn to ask you a question. [Laughter] So this is your first Christmas season as a mom.

Q. Second, actually, 18 months.

The President. Exactly right. [Laughter] Good answer. I was just trying to check and see if you knew—if you and I both knew how old your child was. [Laughter] Do you have a question to the President?

Halliburton Contract in Iraq

Q. Yes, I do, sir. Mr. President—

The President. Do you remember what it is? [Laughter]

Q. You can throw a person, you know that. [Laughter] Mr. President, many of your critics are saying that you should distance yourself from Halliburton, and they say it's an albatross around this administration's neck, particularly the Vice President and you. What are your thoughts about that?

The President. My thoughts are, is that I expect anybody doing business with the United States Government to be transparent and to give the taxpayers a good return on their money. That's what I expect. And if anybody is overcharging the Government, we expect them to repay that money.

Wendell [Wendell Goler, FOX News].

Iraqi Debt Relief

Q. Mr. President, in light of the New York Times editorial today, tell me why—

The President. Right. Let me stop you, Wendell. I don't read those editorials—[laughter]—so you're going to have to—maybe you ought to ask the question not in that context, but in another context. Sorry to interrupt you.

Q. All right, sir. Tell me why former Secretary of State Baker's ties with Carlyle Group and with Baker Botts don't pose a conflict of interest in this new task you have given him of restructuring Iraq's debt?

The President. Jim Baker is a man of high integrity. He's a man of enormous experience. And it makes sense for him to serve

our country on an important mission. And that mission is to encourage countries to forgive debt so the Iraqi people can more easily grow a nation that is prosperous and peaceful.

And Jim Baker is—we're fortunate to have Jim Baker agree to serve our country. We're fortunate he decided to take time out of what is an active life but one out of the press and one that's probably not nearly as stressful as it has been when he's been involved in public service, to step forward and serve America. We're fortunate that he is willing to do that, and I thank him for that.

And I'm really happy that he has agreed to serve. His mission is to go to Paris and Berlin and Moscow and London to convince these countries to forgive debt. And I'm hopeful they do forgive debt. I'm hopeful that they're willing, in some cases, to contribute for the first time to the efforts of the Iraqi citizens. See, it's in the interest of their countries that Iraq be free and peaceful. Matter of fact, it's in the interest of all countries that Iraq be peaceful and free. It makes us all more secure. Imagine what the effect is going to have—a peaceful and free Iraq is going to have in the heart of the Middle East, where there's so much violence and hatred.

And so Jim Baker is on a noble mission. He'll do a great job. I didn't mean to dis the New York Times editorial page, but I just didn't—I'm not reading it a lot these days. [Laughter]

Yes, sir.

Q. Mr. President—

The President. Or anybody else's, for that matter.

Q. I have no ties with the New York Times. [Laughter]

The President. You didn't mean to dis it either, then. [Laughter]

Dollar/Euro Exchange Rate

Q. Mr. President, the dollar fell again against the euro. Mr. Snow, your Treasury Secretary, says that the decline has been orderly, boosting exports. Do you plan any intervention to stop the slide in the dollar?

The President. My answer to that question about the dollar is that this Government is for a strong dollar and that the dollar's

value ought to be set by the market and by the conditions inherent in our respective economies. And our economy is very strong and is getting stronger. But the policy, the stated policy—and not only the stated policy but the strong belief of this administration is that we have a strong dollar.

Well, listen, thank you all. Alphonso, congratulations.

Deputy Secretary Jackson. Thank you, Mr. President.

The President. I appreciate you coming.

NOTE: The President spoke at 2:40 p.m. in the Roosevelt Room at the White House. In his remarks, he referred to former Prime Minister Mahmoud Abbas (Abu Mazen) of the Palestinian Authority; and James A. Baker III, the President's personal envoy on Iraqi debt resolution.

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.

December 6

In the morning, the President had an intelligence briefing.

December 8

In the morning, the President had an intelligence briefing. Later, he had separate telephone conversations with President Umar Hasan Ahmad al-Bashir of Sudan and Sudan People's Liberation Movement Chairman Dr. John Garang to discuss the Sudan peace process.

Later in the morning, the President made a surprise drop-by visit during Mrs. Bush's interview with Larry King of CNN.

In the afternoon, the President met with Secretary of the Treasury John W. Snow, Postmaster General John E. Potter, and members of the President's Commission on the U.S. Postal Service to discuss postal reform. Later, on the State Floor, the President and Mrs. Bush hosted a Christmas reception

and program for children of U.S. military personnel.

In the evening, on the State Floor, the President hosted the Congressional Ball.

December 9

In the morning, the President had an intelligence briefing. Later, on the South Lawn, he and Mrs. Bush participated in an arrival ceremony for Premier Wen Jiabao of China. The President and Premier Wen then met in the Oval Office. Later in the morning, in the Cabinet Room, the President and Premier Wen met with U.S. and Chinese economic officials to discuss economic and trade issues.

In the afternoon, in the Residence, the President had lunch with Premier Wen. Later, in Room 450 at the Dwight D. Eisenhower Executive Office Building, he dropped by a meeting between National Security Adviser Condoleezza Rice and the U.S.-Sub-Saharan Africa Trade and Economic Cooperation Forum to discuss the African Growth and Opportunity Act.

In the evening, at the John F. Kennedy Center for the Performing Arts, the President and Mrs. Bush attended a joint performance by the National Symphony Orchestra and the Iraqi National Symphony Orchestra.

The President announced his intention to nominate Lisa Marie Kruska to be Assistant Secretary of Labor for Public Affairs.

The President announced his intention to nominate Donald Lee Korb to be Chief Counsel for the Internal Revenue Service and Assistant General Counsel in the Department of the Treasury.

The President announced his intention to nominate Robert Scott Jepson, Jr., Paul Byron Jones, and Charles Leon Kolby to be members of the Internal Revenue Service Oversight Board.

The President announced his intention to appoint Robert A. Martinez as a member of the Board of Governors of the United Service Organizations, Inc.

The President declared a major disaster in the U.S. Virgin Islands and ordered Federal aid to supplement Territory recovery efforts in the area struck by severe storms, flooding,