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with solutions to the problem so that the people can say, you know, ''Job well done.'' Generations—future generations can say these folks had a chance and they responded.

And I want to thank you for what you do to make sure that this part of the world is as vibrant and healthy, the heritage of the salmon remains strong. There's no doubt in my mind you will accomplish the objective, no doubt in my mind we will help. We want to be helpers, not hinderers, coming out of Washington, DC.

You know, the amazing thing about this country is when we put our mind to something, we can do a lot. We can do a lot. My mind is still focused on protecting America, by the way. We're going to hunt the terrorists down wherever they are and bring them to justice. And we're making progress. See, in America we know that freedom—free countries will be peaceful countries. We also know that freedom is not America's gift to the world; it is the Almighty's gift to every human being.

Abroad, this great Nation will lead the world to more peaceful times. We'll promote freedom. We worry about the human condition when people are enslaved by tyranny. And at home, we'll protect our assets. We'll conserve our beautiful environment, and at the same time, we'll work to make sure that people can make a living, that people can work hard, put money on the table; they can do their duty as a mom or a dad for—to feed their families.

Listen, America is a fabulous country, fabulous not only because of the values we hold dear but fabulous because of the nature of the people, who are the American people.

Thank you for coming. May God bless you.

NOTE: The President spoke at 10:17 a.m. In his remarks, he referred to Gary Loomis, president, Fish First.

Remarks Following a Meeting With Economic Leaders and an Exchange With Reporters in Seattle, Washington

August 22, 2003

The President. It's a pleasure to be here in beautiful Seattle. I just met with members of the congressional delegation and also members of the business community, both large and small businesses, to talk about the fact that this economy here in Washington State is not as strong as it should be.

I'm fully aware that the unemployment numbers here are some of the highest in the country, and that's of concern. This is a resource-based State with a significant high-tech component. Both of those sectors have been hit very hard by the economic downturn. And so we talked about ways to stimulate growth.

The first thing I talked about was the fact that the tax plan that the Congress passed and I signed, the most recent tax plan, is now kicking in. People are getting their child tax credits, which will be positive. It will be positive for the people of this State. People are getting more money back, and the more money they have, the more money they'll have to spend. And that's good news.

I talked about trade policy which will help the high-tech industry here in the State of Washington. We talked about the Healthy Forests Initiative, which is a commonsense plan to make sure that we save our forests before they get destroyed by catastrophic fire.

Yesterday I choppered over the fire in Oregon and saw the effects of a backward forest policy, a policy that has allowed for undergrowth to develop and provide the kindling necessary for explosive fires. I saw some interesting signs—said, ''Save our mature large trees.'' I agree. I also saw the fires destroy the mature stands of large trees. It's unbelievable how powerful these fires raged throughout. And we've got to do something about it. A healthy forests initiative will help protect the resources of a resource-based economy.

I talked today—we talked today about energy. The good folks in the State of Washington, or the capital—people who spend money on capital investment know that we need to have an energy policy. Today I talked about something that made eminent sense to me, and that is when you've got good, clean sources of energy like hydropower, you don't destroy those sources, particularly with the Nation short of energy. And so we had a very good discussion about ways to create

the conditions of economic vitality and growth.

The Federal Government can help, and the State of Washington has got to also set the conditions necessary for people to want to be here. I mean, one of the things we can do at the Federal level is pass medical liability reform. It's a national issue. I mean, it makes sense for us to have medical liability reform. If the State of Washington needs to send a message that this would be a good place to do business, they may—ought to have the legislature pass liability reform or workers' compensation reform. There's a lot of things the State of Washington can do as well.

And we had a very vital discussion. And the reason why I wanted to have this discussion is I'm concerned about the size of the unemployment rate here in this important State.

I'll answer a couple of questions, then I've got to go to another event. Jennifer [Jennifer Loven, Associated Press].

Situation in the Middle East

Q. Thank you, sir. I want to ask you about the Middle East.

The President. Middle East, yes.

Q. Palestinians militants have promised more suicide bombings. Israel itself has talked about more pinpoint strikes on militant chiefs. What can you do to make sure that the progress in the recent months doesn't get destroyed?

The President. Yes, well, we'll just keep working the issue, of course, hard and reminding people of this important fact, that if people want there to be peace in the Middle East, if the Palestinians want to see their own state, they've got to dismantle the terrorist networks.

You just opened your question by saying that some in the Palestinian territories have announced there's going to be more suicide bombings. Suicide bombings are acts of terror. Suicide bombings kill innocent people. Children, women—they don't care; they're indiscriminate. They just kill for the sake of killing. Those people who conduct suicide bombings are not interested in the vision that I have outlined, and that is a Palestinian state living side by side with Israel in peace.

What the United States will continue to do is to remind those who love peace and yearn for freedom in that part of the world to join together and to battle those few who want to destroy the ambitions of many. I will continue to work with leaders in the neighborhood to encourage them to cut off the money and the aid and the help that goes to these terrorist organizations, all of which aim to destroy any hope for peace.

I am and will continue to work the issue. I think it's important for us to—for the United States to stay very much engaged, and I will.

Randy [Randy Mikkelsen, Reuters].

Iraq/War on Terror

Q. Mr. President, it seems like the conflict in Iraq is becoming more of a guerrilla war directed against the West or international institutions. How important is it that more countries contribute troops to Iraq? And are you willing to give more political authority to the United Nations to achieve that goal?

The President. Yes, well, look, that's a very interesting question. It's—the way I view this is that Iraq is turning out to be a continuing battle in the war on terror. You know, it's one thing to remove the Saddam Hussein regime from power in order to protect America and our friends and allies, which we did. And then there are—we found resistance from former Ba'athist officials. These people decided that, well, they'd rather fight than work for peaceful reconstruction in Iraq because they weren't going to be in power anymore.

I also believe there's a foreign element that is moving into Iraq, and these will be Al-Qaida-type fighters. They want to fight us there because they can't stand the thought of a free society in the Middle East. They hate freedom. They hate the thought of a democracy emerging. And therefore, they want to violently prevent that from happening. And it's hard to characterize what kind of movement it is since this is the—this is one of the major battles of the first war of the 21st century.

As I told the American people after 9/11, one, I would never forget 9/11 and the lessons learned about protecting the security of this country, but also that we were facing a

different kind of war. And having said that, we do need and welcome more foreign troops into Iraq, and there will be more foreign troops into Iraq. And what that will do is that will enable many of those troops to guard the infrastructure. If you notice what's happening, of course, is as the life of the average Iraqi begins to improve, those who hate freedom destroy the infrastructures that we've been improving. It's part of their strategy. So we'll get more people guarding that.

And in the meantime—and that will help free up our hunter teams. We're getting better human intelligence. Every day that goes by, we're getting more solid evidence from Iraqi citizens about the whereabouts of certain former thugs—or current thugs of a former regime, is a better way to put it, like ''Chemical Ali.'' And we're winning.

And it's—we've been there for 120 days since major operations, or something like that. We've haven't been there a long time. And these people—let me finish. Just getting warmed up. [*Laughter*] These people have been subjugated for years and years and years. Torture chambers were prevalent throughout the Iraqi society. Mass graves—discovered mass graves of innocent people whose lives were slaughtered because they didn't agree with Saddam Hussein. And you can imagine the psychology of a country that has been through a—life under Saddam. Slowly but surely, people are now beginning to develop the habits necessary for a free society to emerge.

But we're going to stay the course. Now, your other question was the United Nations. Well, I've always said the United Nations ought to have a vital role, and they were playing a vital role in Iraq, such a vital role that the killers decided to destroy the very people that were providing food for the hungry and medicine for the afflicted. Now, what kind of mindset is that? That's—it is that type of mentality that we must defeat if we expect the world to be secure and peaceful.

And so yes, there will be a vital role for the U.N. As a matter of fact, we're discussing regulation—I mean, resolutions now about how to encourage other nations to participate in the process.

And let me—one more. Ryan [Ryan Donmoyer, Bloomberg News].

Q. Thank you, sir.

The President. Fine, Ryan. That's a short question? If it is a short question, I can call on Bennett [Bennett Roth, Houston Chronicle]. If it's not a short question, he gets filibustered.

National Economy

Q. Sir, three tax cuts, two wars, and now a new military role in Liberia, and your administration is now projecting deficits up near a trillion dollars this year and next. Meanwhile, a major jobless recovery, as you've just mentioned here today in Washington, and Wall Street is becoming more and more nervous about the effect of these deficits in the long-term economy. Can this economy sustain long-term deficits?

The President. We'll have the deficit in half over a 5-year period of time if Congress holds the line on discretionary spending. And one of my jobs is to make sure they do. I proposed reasonable budgets on discretionary spending, and I expect Congress to join me on those budgets.

Let me remind the people that—to whom you're writing this erudite article what caused the deficit. It was caused by the lack of revenues coming into the Treasury because of a recession. Half of the deficit was because of the recession that took place in the first quarter—first three quarters of 2001.

And remember, the stock market started to decline in March of 2000. That caused a lack of revenue coming into the Treasury. Then the country went into recession. And recession by its very nature means less business activity, less money in circulation, less monies coming into the Treasury.

And then we were at war, and I decided to request from Congress enough money to fight and win the war. That's what the American people expect. They expect a Commander in Chief to support the troops. And that's what I did and will continue to do.

Part of the deficit is also caused by the fact that Congress passed the tax relief I asked for. But the reason I asked for the tax relief is to stimulate economic growth. And so the—those who are worried about the deficit must first worry—I hope would worry first about people being able to find work,

like in Washington State. I am more concerned about somebody finding a job than I am about numbers on paper. But having said that, I want to repeat that we've got a plan to reduce the deficit in half in 5 years.

Final question, Bennett of the Houston Chronicle. I've known him for a long time. For those of you who don't know him, he's a fine lad. [*Laughter*]

Report on the February 1 Space Shuttle Columbia Accident

Q. And it's sort of a Texas-related question. Mr. President, next week there's going to be a report issued on the Space Shuttle *Columbia* that's expected to be highly critical of NASA. Do you support the resumption of manned space flights? Do you think the program should be better funded and restructured? Where do you see the future?

The President. Let me first—I've been a strong supporter of NASA. I want to look at the report before I comment. You may have seen the report; I haven't, in which case I want to look at it. I do believe that a space program is important for a country that is trying to stay on the leading edge of technological change. But let me look and first see what the report says, how critical it is, what it says, what it means. And I'll answer—try to answer that very question after I've had a chance to enrich my knowledge about a pending report.

Thank you all.

Birthday of Jennifer Loven

Q. It's her birthday.

The President. Today is your birthday?

Q. No. [*Laughter*]

Q. Yes, it is.

The President. You shouldn't be so shy in front of national cameras. [*Laughter*]

Q. I'd rather it not be a topic, thank you. [*Laughter*]

The President. Would you like for your compadres to break out in a ''Happy Birthday'' here on TV?

Q. They've already done that, thank you.

The President. They have? Should we have the business community sing? [*Laughter*] Happy birthday.

Thank you all.

NOTE: The President spoke at 12:50 p.m. at Boeing Field-King County International Airport. In his remarks, he referred to former President Saddam Hussein of Iraq; and former Iraqi Ba'ath Party official Ali Hassan al-Majid (known as ''Chemical Ali''). A portion of these remarks could not be verified because the tape was incomplete.

Statement on the Designation of Hamas Leadership and European Funding Sources Under Executive Order 13224

August 22, 2003

At my direction, the Treasury Department has moved today to block and freeze the assets of six top Hamas leaders and five nongovernmental organizations that I am advised provide financial support to Hamas. By claiming responsibility for the despicable act of terror on August 19, Hamas has reaffirmed that it is a terrorist organization committed to violence against Israelis and to undermining progress toward peace between Israel and the Palestinian people.

I call upon all nations supportive of peace in the Middle East to recognize Hamas as a terrorist organization and to take all appropriate actions to deny it support.

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 16

In the morning, at the Bush Ranch in Crawford, TX, the President had an intelligence briefing.

August 18

In the morning, the President had an intelligence briefing. Later, he had a telephone conversation with Energy Secretary Spencer Abraham to discuss the recent power blackout in portions of the Northeastern and Midwestern United States and Canada.