

will not stop working until a final bill is passed.

Strengthening the economy and protecting the homeland and fighting the war on terror are critical issues that demand prompt attention. I urge the Congress to act on all these issues before they adjourn for their August recess.

Thank you for listening.

Interview With Polish Journalists July 12, 2002

The President. I'm looking forward to our state dinner. It's a chance for me to, on a personal level, repay the favor of my friend Aleksander for his great hospitality to Laura and me when we visited he and Jolanta there in Warsaw. Secondly, it's a chance to say to our country and the world how important our relations are with Poland. We really think—respect the Polish people. We've got great numbers of Polish Americans who still love the motherland. And it's going to be a wonderful occasion to build on a great relationship, make it even better.

We will discuss a lot of topics. We'll talk about the war on terror. Poland has been a great friend and supporter, member of the coalition on the war against terror. We've got troops in the—on ships off the Indian Ocean. We've got engineers in Bagram, shared intelligence. Aleksander has been a strong friend and supporter. I'm confident he'll want to talk about NATO expansion. Perhaps I'll leave that for a question.

But all in all, we've got great relations, and I look forward to having a good conversation with a leader I respect. And I respect Aleksander Kwasniewski.

Why don't we start with you, sir.

NOTE: The address was recorded at 10:25 a.m. on July 12 in the Cabinet Room at the White House for broadcast at 10:06 a.m. on July 13. The transcript was made available by the Office of the Press Secretary on July 12 but was embargoed for release until the broadcast. The Office of the Press Secretary also released a Spanish language transcript of this address.

Democracy in Poland

Q. Thank you. Mr. President, about your talks with President Kwasniewski next week, Poland has been viewed by your administration as one of the most successful examples of democratic transformation. However, the current Polish Government is taking some steps and adopting some laws which would obviously limit independence of media and central bank, which are the pillars of democracy. So are you going to raise these issues with the President?

The President. Well, first of all, I've got faith that a democracy will work. And I am confident that the Polish Government and the Polish people will come up with the right answers to issues relating to any law. I will—of course, if he asks my opinion, I will remind him that an independent media is a very important part of democracy. It's one of the pillars of democracy. I value our media, as an aside, saying that of course to pander to the people here that cover me on a daily basis. [Laughter]

But I do value a free and open media, and I think it's an incredibly important part. But your opening statement was true. We value the progress that Poland has made and the example Poland has set in a neighborhood that was a pretty tough neighborhood for awhile. And I was most impressed, when I went to Warsaw, to see the spirit of the people and the optimism.

I understand the country is going through tough times, but all countries go through tough times.

President's Upcoming Visit to Troy, Michigan

Q. Mr. President, you're taking Aleksander Kwasniewski—it was your decision to go to Troy, Michigan, to meet with Polish Americans.

The President. Yes, we are.

Q. What is the reason for that meeting, and if you could tell us, what is your message to Polish Americans?

The President. Well, first of all, the message to Polish Americans is, I respect and honor the Polish traditions and Polish heritage. Actually, there was a—even in my own State of Texas, there is a community or two that Polish Americans have settled in Texas and still retains many of the great traditions and heritages.

It also reminds people that even though they have got a Polish heritage and embraced Polish traditions, they're Americans. It's a great part of the American experience. We envelop and welcome people from all walks of life. That in itself is an important statement to constantly make in our country. It reminds people of the strength of the country.

I've decided to go to Troy, Michigan, because it's going to be a—I hope it's a fun trip for Aleksander. I mean, I think it's important—I understand what a state dinner is like. It's formal. You'll see; it's going to be a grand day. They arrive on the South Lawn. The military will be there. There's a lot of pomp and circumstance. It's an exciting ceremony; it really is. And then there will be the formal dinners and the black tie, and the people will come, and the entertainment and the food—it's going to be great.

But there's more to a good American experience than just a formal dinner. I try to wear a tuxedo as little as possible, I want you to know. But flying out there to Michigan, the heartland of the country,

with our friend, is going to be great. And he's going to see a big, enthusiastic crowd. It will give him a chance to say some things. And I think that's important to provide him a forum, so that he can not only be seen in a tuxedo but be seen speaking his mind about whatever issue he wants to talk about to an American audience that is made up of people from his homeland that have now settled in our country. I think it's going to be a great event. To me, it helps complete the state dinner aspect of the trip.

U.S. Economy

Q. Mr. President, I talked to Mr. Kwasniewski just before yesterday.

The President. Yes. How is he doing?

Q. Great. He looks good, in good shape.

The President. Looking forward to a 3-mile run? [*Laughter*]

Q. He told me that one of the topics he would like to touch on is the recent financial scandals in the U.S., because they are a kind of backlash on Central Europe, and the recovery is difficult. And there's this feeling outgoing that the U.S. Government is not doing enough to change its own rules to really prevent the backlash for a Central European—

The President. Yes, I'll explain to him we are doing things, and I will be glad to lay out the initiative I talked about—and have been talking about, by the way, since March—February and March and then the speech I gave in New York. And of course, our House has acted—the House of Representatives acted, and the Senate has acted. And if he looks at what I proposed and what the Senate has proposed and what the House proposed, there's not much difference. And in other words, the point is that a bill will come out that will hold people accountable for accounting error—accounting fraud and, as we go forward, hopefully set an example—make it clear to people, there will be a consequence if they continue to do that.

There are markets—three things affect our markets, I'll explain to Aleksander. One of course is confidence and the numbers, and we're addressing that. Secondly is the war on terror. People are still—you know, realize that America is still a target. And the American people know that we're doing everything we can to protect the homeland and run down these killers wherever they try to hide. And that's all they are, by the way, just nothing but a bunch of cold-blooded killers. And thirdly, the corporate sector—the profits are beginning to improve, but the price-earnings multiples—in other words, the price of a share relative to its earnings—was very high, and the market is adjusting. So all three of those factors are important.

And obviously we—that's not the whole picture of our economy, and that's what Aleksander has got to understand. The market reflects part of it, but our unemployment rate is—looks like it's steady. It has stopped rising. As a matter of fact, it had a drop, and it's level. Our consumer spending numbers are up. Our manufacturing orders are increasing. In other words, the recovery is beginning to show some strength. So therefore, what I'm going to ask him is to look at the entire picture.

Finally, we've got good monetary policy and good fiscal policy here in Washington, and that in itself is part of long-term recovery. And so he'll hear a man who is—recognizes that we're making some progress. We've got to do more, but I'm pleased to report to him that I think things are going to get better. The foundation for long-term growth has been—is in place.

War on Terrorism

Q. Mr. President, I wanted to ask you a question about the war against terrorism. The Europeans seem to less and less support the war against terrorism. And I wonder if you could explain to us, why do you think it's happening, and if you are ready to go alone on this next phase of the war, whatever the phase is?

The President. No, I don't feel that the support from Europe is lessening. As a matter of fact, I've just come from a G-8 meeting in Canada where, to a person, they were very supportive of our war on terror, because the Europeans recognize that the terrorists could strike them just as easy as they could strike us. We've still got great intelligence sharing amongst our nations. We've got good police action. We have hauled in—"we" being the coalition—has hauled in—that means arrest—2,400, more than 2,400 terrorists. So we're picking them off, one by one. This is a different kind of war.

I use every chance I get, when I speak to the American people, to explain why this is different. And so—as opposed to destroying lines of tanks or shooting down airplanes, success is measured by—one by one, one person at a time. And the European leaders understand that, and they've been very supportive. They still—I think we've got about 8,000 troops in Afghanistan—we do, in the Afghan theater, and there's another 8,000 troops from other nations there as well. So it's a firm commitment.

I will continue to communicate and consult with our friends and allies as to every stage of the war, as the battlefield shifts. By the way, the battlefield isn't shifting out of Afghanistan. We're there. We'll remain there. We've got a lot of work to do there. There's still Al Qaida killers there. And of course we'll need to continue to have deliberations with our friends and allies, and we'll have them for future theaters and different operations. We talk to them all the time.

Poland's Purchase of New Fighter Jets

Q. Speaking of war, Mr. President, Poland is going to buy new fighter planes—

The President. Yes, I understand that's the case.

Q. Yes. And the F-16s are one of the—

The President. I've got a suggestion for them. [Laughter]

Q. However, President Kwasniewski just 2 days ago—you kind of—was kind of complaining that maybe the American offer is not meeting enough—expectations. So is—

The President. He's negotiating in public. [Laughter]

Q. Is your administration in any way going to support U.S. companies to win the standard—

The President. We will offer a fabulous product—

Q. Fabulous product.

The President. —called the F-16. And we will work with our friends to make—you know, to compete on an above-board basis, totally above-board. And you know, we hope the Polish Government picks quality. If they do, they will, of course, come our way. But that's up to the Government. Aleksander will be and the Government of Poland will—you know, we will respect the process and respect the country and appreciate it's a tough decision and hope they make the right decision as far as we're concerned. But that—

Future Role of NATO

Q. Mr. President, do you think that the NATO will play as important role for the United States in the present century as it played in the previous century?

The President. Yes.

Q. And do you think it is possible that Russia one day will become NATO member?

The President. Interesting question. First, I do think NATO is very important. It's obviously a different role. NATO served as kind of a bulwark in defense against Russian tanks storming across the European Continent. Those days are over. Russia is no longer the enemy. I witnessed the fact that not only have we got good relations with Russia, but the very same trip that I—when I went to Moscow to sign this treaty that literally redefined our relation-

ship from one of distrust and—like it was during the cold war, to a new relationship, shortly thereafter we went to Italy and welcomed a new relationship between NATO and Russia. So the whole relationship has changed for the better.

NATO has—and I think it's going to be very hard—very important to work that relationship with Russia, to allow for the—the new relationship to develop and mature. And I think it will in a very positive way.

The new relationship—the new role of NATO is—really needs to adjust to the new realities of the 21st century, and that is how to best fight the war on terror. And that means a different configuration of the use of our forces and the use of assets. Our forces need to be lighter and quicker to strike, and elite units need to be prepared to move at a moment's notice.

The enemy has changed, and the battlefield, the nature of the battlefield has changed. And therefore, the NATO mission must remain the same, mutual defense. But its tactics must change. And I think NATO is very relevant, and we will be an active and engaged partner in NATO.

Let me just—I'll ask myself, "Well, Mr. President, do you think we ought to expand?" [Laughter] I gave a very important speech in Warsaw. It's interesting—I hope the people in the world that are interested in our opinion on subjects noted that the speech was in Warsaw. And the speech was about a Europe that's whole, free, and at peace. And I talked about the expansion of NATO, and I said that I am interested more rather than less. And at the same time, I urged the applicant countries to take nothing for granted, to work very hard up until the last minute to show those of us in NATO that they'll be willing and active and capable partners.

And I look forward to our meeting in Prague. I fully understand the position of the Polish Government. I've had long discussions with Aleksander on the subject of NATO expansion, and I think people know

that I'm forward-leaning, depending—if the member countries, you know, meet their MAP requirements.

Polish and U.S. Central Banks

Q. I want to go back to the finances and the limit. There is an attempt in Poland to limit independence of central bank, so it would be more—be manipulated more by Government, so Government would have more influence over central bank. In the current situation, what's your feeling about this?

The President. Well, first of all, I don't know all the facts about how the Polish democracy is handling this particular situation. I can tell you, however, from my experience, that a central bank should be independent. And the independence of our central bank gives Chairman Greenspan and the other Governors of the Federal Reserve great credibility in our country, to know that decisions are being made apart from politics. And our central bank is a part of—is a very important part of our—has been and will continue to be a very important part of the economic vitality of our country. It also gives investors who look at our country great confidence to know that the monetary supplies be not based upon politics, but the decisions on monetary supplies will be based upon the vision of some very wise people.

I think, when people look at how capital moves into countries, the independence of a central bank is an important part of attracting capital. And Poland needs to attract capital investment. If anybody were to ask me my advice on the central bank, that's what I would give.

President's Popularity in Poland/President's Vacation

Q. I'd like to ask you about different subject. According to the latest polls, you are the most popular foreign politician leader in Poland.

The President. Really? I usually say I don't believe in polls, but I may have to change my mind. [*Laughter*]

Q. With the same approval rate as President Kwasniewski. And I want to ask you to comment on this, and—

The President. Well, how high is it?

Q. Would you be willing to visit Poland again?

The President. Seventy-three?

Q. Why don't you go to Poland?

The President. Again?

Q. On holiday.

The President. Thanks. I don't know what to say. I appreciate that. I'm flattered.

Q. Are you willing to spend a vacation in Poland? With your parents, obviously?

The President. With my parents? I don't know if my mother could stand that. But listen, when I vacation, just kind of know about me, I like to be with my family, and I like to be in Texas.

I just recently went to Maine. I'd love to go to Maine, too, to be with my mother and dad. But my favorite vacation spot is my own ranch in the State I love. And I like to get out and fool around on the land, and it doesn't matter how hot it is or how cold it is. How hot it is and cold it is matters to those who have to follow me. For me, there is no day hot enough or cold enough. [*Laughter*] These poor souls—Crawford in August. That's my idea of vacation.

Although I must say, I had a great time up with Mother and Dad this weekend, and I love to be around them as well. But this August, I'm going to go down to Texas and actually work out of Texas. I'm going to travel quite a bit. After all, we're getting into the political season here in America. We've got our elections in November of 2002.

September 11/War on Terrorism

Q. Mr. President, we talk a lot about how September 11th changed the world, changed America. Has it changed you?

The President. Changed me?

Q. Yes.

The President. I don't think a single event can change anybody's basic values. It obviously changed the fact that I knew that my time as the President would be dedicated to winning the war on terror and protecting our homeland.

This is—I keep telling people this—it's just a different type of war, because much of the movement of the enemy is invisible to the American people and/or to the world. And yet we know they're there. The killers on September the 11th had been in our country for a period of time. They behaved normally. They looked normal. They, you know, were nonthreatening. It was hard to tell that they were part of this unbelievably evil plot.

And it—we're concerned that another group are here or somewhere, not only here but in other countries in Europe. And so the task is an all-consuming task of protecting our homeland and making sure we do everything we can here to find out if anybody is here and who they are and disrupt their plans and, at the same time, hunt down their leaders.

The wars of the past had known battlefields, and it was clear that such-and-such had to happen. There had to be an invasion in order to achieve this or that. This is a hunt for individuals. We're chasing down one person at a time. They were foolishly collected up at one point in time in the Shahi-Kot Mountains, and it was a tough chore. But our brave soldiers, along with coalition soldiers, were able to go in and score great success at bringing them to justice, as I like to put it.

They're wise to our ways. They realize we're a heck of a lot tougher than they thought. They assumed America was a weak country, that we didn't really believe anything. And they're finding out that's not the way we think. And so I realized after 9/11, after I got over the grief, along with everybody else in our country, that this was a long, very important struggle.

And the struggle goes beyond just fighting an Al Qaida-type network. I have deep concerns about the development and deployment of weapons of mass destruction, and so should you, so should anybody who loves freedom, because there are nations in the world developing these weapons who hate freedom, leaders hate freedom. And what we cannot allow happen is these nations to develop these weapons and then blackmail us and/or use them.

We will have—a judgment will have missed history's call to freedom. And so I realize that this war is going to consume a lot of my time. On the other hand, these members of the press know that I am optimistic person who truly believes that we can achieve some positive things out of the evil done to the country and to the world.

So when I talk to our friends, like Aleksander and others, I remind them of this call. We're leaders in a significant moment in history, and we can't blink, and we can't—we must be determined and focused to achieve this important objective, which is peace for our children, is what we're really fighting for, civilization.

Yes, ma'am.

Free Trade

Q. Mr. President, you always said that you are supporter of removing the trade barriers.

The President. Yes.

Q. Why do you think there are so many of them still exist?

The President. Well, you know, because I think the temptation is to be protectionist. And it's easier to mollify constituencies with protectionist rhetoric. Poland suffers from protectionist policies in parts of Europe, as you know. I'm a strong believer in free trade. I want the Congress to give me what's called trade promotion authority. I will exercise that diligently to open up markets.

On the other hand, I have an obligation to enforce law. And so I recently said that the—I listened to an International Trade

Commission ruling on steel. The ITC ruled that excessive steel imports were affecting our industry in a negative way. I put a temporary measure in place, which exempted, by the way, Poland. And that was a chance for the steel industry, our own steel industry, to get on its feet. But nevertheless, as I reminded members of the European Union, this only represents a very small portion of the \$2 trillion of trade we have each year.

But protectionism, for some, is a viable economic remedy. And in my judgment, protectionism would be bad for the world and bad for our country.

We're opening up—we sent our man to Doha to commit to the next round of the World Trade Organization. And unlike Seattle, where it all fell apart, we were able to—"we" being those of us in the world who support free trade—were able to move the process farther down the line. And I will continue to work for free trade. It's in our Nation's interests and the world's interests that we trade. It's in the developing world's interest that there be trade. And our country is—we've got what's called AGOA, agreement with the African countries. I'm working on a free trade agreement with Central Americans. I'd like to see a free trade agreement from Canada all the way down to Argentina.

As I say, there's protectionist tendencies that occasionally rise up. We've just got to convince our respective people that trade is in their interests.

Russia-U.S. Relations

Q. There is another President you have such a good relationship; it's President Putin.

The President. Yes.

Q. Very good working relationship, on terrorism, on oil. But there is this feeling also this is in cost of some human rights, human rights in Chechnya, press freedom in Russia—it's overlooked now—and probably some freedom of some other Russian republics. Don't you worry that this close

relationship is putting your—raising other problems?

The President. No, a close relationship with Putin allows me to make the case that, on media freedom, for example—as a matter of fact, on my last trip there, I urged him to interface with media entrepreneurs from America to understand how free press actually works, something that they're not very used to in Russia. And so there have been dialog interchanges now with some of our media executives. And I do push Vladimir Putin on the need to have open media and open his media.

And secondly, in terms of Chechnya, I'm constantly talking to Vladimir Putin about relations with Chechnya and understanding and supporting minority rights. The other issue that is very important, to which we do not turn a blind eye, and which I'm deeply concerned, not only about minority rights, is proliferation, matters of proliferation. I think we're making some progress there.

The immediate concern was proliferation to Iran, and I brought that up with Vladimir every time I visited with him. It's a very important issue that he understand that an armed Iran could be very dangerous to his own country, much less to our friends the Israelis or America, itself. And we've had some very important exchanges on that.

In terms of helping make Russia a more secure place, we're working on what they call 10-plus-10-over-10: \$10 billion from the U.S., \$10 billion from Europe over 10 years to help secure some weapons stockpiles. Vladimir is very interested in working with us to decommission some of his nuclear submarines to make Russia and the world more safe.

In other words, my only point to you is, is that by being closer to Russia, we're able to deal more directly with some of the thorny issues that could separate us and could in fact make the West less likely to deal with Russia.

And we've got another issues at home here that has upset a lot of our people, and that's chickens. Fortunately, we're arguing over chickens and not over war, over chickens and not over missiles, like we used to. But a lot of people here feel like there was a commitment made to let U.S. chickens into Russia. And they started moving into Russia, and all of a sudden they stopped moving into Russia. And so I've been—so whether it be trade or minority rights or press, our relations are such that we're able to bring those up in a very frank and forthright way and yet still moved a very important relationship forward.

Look, friends don't always agree, but friends are more likely to be able to work things out than enemies. As a matter of fact, in the old days, if there was a disagreement between enemies, that could lead to war. And there won't be a war between Russia and the United States.

Situation in the Middle East

Q. Mr. President, a question on another very easy subject, the Middle East crisis.

The President. Yes. [Laughter]

Q. What solution do you see to the crisis, and what compromise do you expect from both sides?

The President. Yes, that's a very good question. First, I do believe that we can achieve a vision of two states living side by side, at peace with each other. And that's the vision, and that's what all policy must aim toward. It starts with understanding that it's going to be impossible to achieve that vision if terrorists are allowed to have a free run and blow up the process.

An incredibly important step toward the vision of two states living side by side is for the international community, including the Arab world, to work with us to develop the institutions necessary for the emergence of a Palestinian state that will be transparent; it will respect rule of law; it will have a constitution that will allow for a sharing-of-power arrangement; that will

have institutions that outlast—are far more important than any single one person.

And we're in the process of working toward that end. Colin Powell will be meeting with what the call the Quad in New York. Foreign Ministers from the Arab world will be coming as well, later on, to work on the step-by-step process toward the emergence of a Palestinian state. And I repeat, that requires a constitution, a judiciary, transparency when it comes to financial conditions. And I believe there's financial aid available. I know there is.

[At this point, the tape machine stopped.]

The President. Something just ground to a halt. That thing had, what do we call it, a skidding halt. Sounded like it needs some new tires.

Anyway, the international community wants to help with aid, but they're not going to help with aid if it's going to be stolen. Let's put it very bluntly. And so the—

[The tape machine stopped again.]

The President. —the press conference has clearly gone too long. [Laughter]

So we're working to get these institutions in place. Obviously as security improves, Israel is going to have to, as I said, pull her troops back to September of 2001—2000 levels. In other words—not levels but geographic—within geographic boundaries of September 2000. They're going to have to deal with the settlements. In other words, all parties have got responsibilities. The Arab world has got responsibilities, by the way, as well, to help on the development of a security force necessary—a security force, by the way, which must exist to enforce security, not enhance the status of a single person.

So we're making progress. It requires a international commitment and a focus on a positive end, which is two states living side by side in peace. As I said, I'm an optimistic fellow and believe that if we stay at it and keep working hard, we can get

there. But there's no question in my mind, as I said in my speech in the Rose Garden recently, that there's going to be some setbacks. But our Nation is committed to a peaceful resolution of the conflict.

All right, well, thank you all.

NOTE: The interview began at 10:55 a.m. in the Roosevelt Room at the White House. The transcript was released by the Office of the Press Secretary on July 15. In his remarks, the President referred to President

Aleksander Kwasniewski of Poland, and his wife, Jolanta Kwasniewska; and President Vladimir Putin of Russia. The President also referred to MAP, the Military Assistance Program; AGOA, the African Growth and Opportunity Act; and the Quartet, a Middle East policy planning group consisting of representatives from the United States, the United Nations, Russia, and the European Union. A tape was not available for verification of the content of this interview.

Remarks at the University of Alabama-Birmingham in Birmingham, Alabama

July 15, 2002

Thank you all very much. Thank you for coming.

So I come up here with Thornton, and he says, "I think driving a bulldozer is a little easier than introducing you." [*Laughter*] I said, "Well, you must be a pretty good bulldozer driver then, Thornton, because you did a great job of introducing me." Thank you very much. I appreciate your being here. Thornton is the president of Stanley Construction Company. He's one of several business leaders from Alabama I met with today to talk about what we can do together to help this economy recover.

I want to first tell you how proud I am to be back in Alabama. It's a great State. It's produced some wonderful Americans, starting with my National Security Adviser, born and raised, Condoleezza Rice, right here in Birmingham. And I'd be in trouble with the Secretary of State—at least his wife—if I didn't remind you all that Alma Powell was raised—born and raised right here in Birmingham, Alabama, too.

It's an honor to travel today with members of the congressional delegation, two fine United States Senators, Senator Shelby and Senator Sessions. Thank you all for

coming. We've attracted quite a few members of the House delegation here. I'm not suggesting that they're here to be close to the President just in case they can get aboard Air Force One when we're heading back. [*Laughter*] But if you guys do get on, you'll find it to be a comfortable plane. [*Laughter*] But I'm proud that Sonny Callahan and Terry Everett and Bob Riley and Bob Aderholt and Spencer Bachus are with us, too. Thank you all for coming. These are fine Members, and they're good people to work with, and they put their country first. And I appreciate that a lot.

I know the Lieutenant Governor is here, and the attorney general is here, and the mayor is here, mayor of Birmingham. I want to thank you three for coming as well. I appreciate your hospitality.

I personally want to thank the good folks here at UAB, University of Alabama-Birmingham, for allowing us to use, first of all, this fantastic facility. I had the honor of speaking with the president earlier today. I am proud of the accomplishments of this fine university. It is a university that is on the leading edge of important medical research. It's a university that has fostered and kindled the growth of small businesses