Interview With Foreign Print Journalists

July 2, 2008

The President. So here's the thing, I'm going to have a few comments, and then got time for one question apiece, so calibrate your questions. You can do like our press, ask three questions in one question.

Anyway, what are the rules for the American press corps—French and American press corps?

Press Secretary Dana Perino. It's embargoed until they have a chance to use it themselves.

The President. I'm talking about these people.

Ms. Perino. Yes, they hold it until after it's already published.

The President. I got you. That's presuming they read Japanese papers.

Ms. Perino. Toby [Tabassum Zakaria, Reuters] does.

The President. Okay.

First of all, I'm looking forward to this. As you know, it's my last G–8. These are useful, important meetings, because it's a chance to forge common policy, but it's also a chance to have a lot of important bilaterals. And the first bilateral I have is with the Prime Minister. And it's very important for me to make it clear to him and the Japanese people that I value the bilateral relationship with Japan.

It has been, and will be, the cornerstone of our policy. And my view is our relations have been very good during my Presidency. As you know, I had a close relationship with Prime Minister Koizumi. After all—but he wasn't the first Prime Minister I dealt with. The first Prime Minister I dealt with wasn't around very much—he was—he spent more time with my predecessor, obviously—and then Koizumi and then, obviously, Abe and the current Prime Minister.

I worked hard to have a good personal relationship with all the leaders so that we can discuss common problems and common issues. And we've worked through a lot of problems in the past, but more importantly, we've got a strategic relationship that is solid and well-founded. And that's very important for stability and peace in Asia.

And so—and then, of course, we'll have the meetings. And there will be a variety of topics to discuss. I'm confident people will be concerned about food prices and energy prices. We'll discuss those. To the extent that we can develop a common strategy to deal with them, it will make a lot of sense. I think the world will watch carefully and see what signals come out of the meetings. My own view is, is that here in the United States we can do more to find oil. Like Japan, however, we're dependent upon foreign sources of oil, which means we've got to transition to a different era.

One of the interesting things that's taking place in Japan—I tell this to a lot of my friends here—I happen to believe battery technologies are coming soon. And the Japanese are, of course, in the lead when it comes to new technologies relative to automobiles, such as battery technologies. And some day relatively soon, I'm confident that people will be driving the first 40 miles on electricity, and the cars won't look like tiny marbles or golf carts; they'll actually be regular-sized automobiles.

And so the question is, how do we manage the transition to a new era? Eventually, we'll be driving hydrogen automobiles. And I know the Japanese private sector is working very hard on hydrogen technology, as are we. Here at home, as you know, we're diversifying the fuel by the use of ethanol. And I've always felt it was good to have American farmers growing fuel rather than trying to purchase crude oil from parts of the world that, frankly, are either unstable or don't like us.

In terms of food prices, a lot of the food prices are being driven by energy costs. But

we can do a better job of selling seed and fertilizer or giving seed and fertilizer to help others grow crops. I mean, it is—parts of the world should become sufficient in food, and they're not.

One of the interesting debates will be, of course, the use of bioengineered food, genetically modified crops. And it's—these genetically modified crops can grow in fairly harsh weather conditions, where there's a lack of water, and yet some countries are fearful to use it because they won't have market access for their crops when they export them.

Another great opportunity would be, of course, dealing with the environment. I know this is important for the Prime Minister, and it's important for all nations there. It turns out that energy independence and climate change can go hand in hand. In other words, the technologies that free us from dependence on hydrocarbons will be the very technologies that enable us to improve the environment. The question is, how best to expedite new technologies to the market, and frankly, get it in the hands of countries that are going to need these technologies, such as your cross-straits neighbor, China.

My own view is that there will never be an effective agreement unless China and India are at the table. And I say "effective," I mean a results-oriented agreement where, in fact, we actually accomplish an objective, which is reducing greenhouse gases. And so we'll work to set the conditions so that people understand that in order to be effective, all of us who are creating greenhouse gases must agree to long-term goals and develop effective interim plans.

On my mind, of course, will be human rights and human dignity. And that comes particularly in the form of helping people deal with malaria and HIV/AIDS. I believe in the admonition, to whom much is given, much is required. Our nations have been given a lot, and we're comfortable nations. And we got to remember that there is suffering in the world, and that when we speak, when we make pledges, we got to mean what we say. And the last G–8, people came to the table and said, "Okay, we hear you; now we'll all pledge." And the question is, have people written checks? And I will gently remind people, to the extent I can be gentle, that it's important for people, when they hear us talk, to know that there will be results.

And I'll talk about our HIV/AIDS initiative in Africa, and how it's been effective, and the malaria initiative. I'll use examples such as Zanzibar, a part of Tanzania where the infection rate for young babies was 20 percent; it's down to 1 percent because of a simple plan—and that these nations can help.

And so we've got a—by the way, this all is part of this war on terror. I do want to thank the Japanese Government and Japanese people for clearly understanding the stakes. But we face an enemy that can only recruit when they find hopeless people. And there's nothing more hopeless than a mother losing her baby because of a mosquito bite. And so not only is it in our moral interest to help people, it's also in our national security interest to help people.

And so that's kind of how I see it. Now, who wants to start?

Trade

Q. Sir, since I went to high school in Texas——

The President. Where did you go?

Q. Edinburg, sir.

The President. Did you? Edinburg High School?

Q. Yes, class of '74.

The President. You've got to be kidding me. [*Laughter*] Edinburg High School. Isn't that interesting? Nobody knows where Edinburg is except for me and you. [*Laughter*] It happens to be on the Mexican border. It is—what year were you there?

Q. In '74.

The President. Oh, man. You been down there since?

Q. Yes, several times.

The President. Amazing, isn't it, how it's changed?

Q. Yes, it has.

The President. The benefits of free trade. People need to—if you could have seen Edinburg in '74 and Edinburg in 2004 and now 2008, you'd be amazed at the changes as a result of free and fair trade between the United States and Mexico. And therefore, one other point will be, of course, complete Doha successfully.

Thank you for reminding me of the importance of free trade. [*Laughter*]

Abduction of Japanese Citizens/Six-Party Talks

Q. Mr. President, thank you very much for giving us this opportunity to ask questions, sir. And first, let me start with a very Japan-specific question about North Korea and abductees issue.

Sir, at the press conference on June 26, you made a—said that the United States would not abandon its strong ally when it comes to resolving this abductee issue. But in spite of this very strong statement that you made, there are still some doubts and concerns in Japan, especially among the families of abductees, that the United States might try to resolve this nuclear issue at the expense of the abductee issue.

And, Mrs. Yokota, who you met in your Oval Office 2 years ago, reportedly said that she was irritated because she felt that Japan was ignored. What exactly do you plan to do to assure Japanese Government and the people that the United States will not abandon Japan in the process of rescinding North Korea's designation of a state sponsor of terror? And what will the United States do to help bring progress to this issue within 45 days of this delisting process, sir?

The President. Yes. Well, first of all, I can understand the mom's concerns. I got to see firsthand in the Oval Office how—her sense of anguish and hurt that her sweet daughter had been abducted. So I understand the emotions of the issue. As a matter of fact, I invited her to come because I wanted to—I wanted her and others to see firsthand my personal concern. The truth of the matter is, if I wasn't concerned about the issue and didn't think it was a priority, I wouldn't have invited her to the Oval Office.

Secondly, I believe that the six-party talks is the best way to effect change in the North Korean regime—positive change. One such change, of course, is to head toward a common objective, which is a nuclear free—a nuclear weapons-free Korean Peninsula, which is in our interest, and it's in Japanese interests.

Secondly, there are other issues, of course, to be dealt with in this framework. And one such issue is the abductee issue. The question is, can Japan solve this issue alone better, or does it make sense to have the United States and other countries expressing the same concerns? I happen to believe that it is in your country's interest to have the United States and other countries helping you on this issue. And therefore, I view the six-party talks as a framework to convince the North Korean Government to deal with these serious issues.

And, you know, people—I can understand people saying, well, I guess this is the beginning of the end of U.S. concern. But I will say it again, like I have said it time and time again, this is the beginning of our concern and it's a framework to help solve the concerns of the parents, the people of Japan, and the Japanese Government.

In terms of the recent declaration, this was agreed to by the Japanese Government. This was an understanding that this is how we're going to move the process forward. But this is only one step. I think some of your listeners or readers probably think that, well, this is the end of the process. No, this is the beginning of the process. And there's a lot more work to be done. And our policy is action for action. And what's changed is, it used to be, okay, we'll give the North Koreans a concession and hope they respond. Now it's, when they act, we respond. And part of the agenda is the abductee issue.

Thank you, sir.

Mr. Sato.

Six-Party Talks/Japan-U.S. Relations

Q. Yes.

The President. They call you Mr. Sato?

Q. Hi. Yes. Thank you very much, Mr. President. I'd like to just follow up on the North Korea issue. There is in Japan—there is concern in Japan that the golden era of the U.S.-Japan alliance has passed, the historical—[*inaudible*]—of alliance is now degrading. So how do you think that, in this context, the removal of North Korea from the list affects the U.S.-Japan alliance?

The President. It's interesting. Somebody told me that beginning to creep into the dialog there is—the six-party talks really is—you know, will undermine the bilateral relations between Japan and the United States. I fully reject that. It's like saying, okay, we're all part

of the United Nations, therefore, bilateral relations don't matter. Multilateral forums to address an issue strengthens relations; they don't weaken relations.

And the fundamental question is, how do you solve the problem of North Korea? That's the question. That's what the six-party talks were aimed to address. The history of this issue was, at one point in time, it was really only the United States that was dealing with the issue; others were kind of there, but they weren't that—they basically said, here, go solve it.

And it's an effective way to deal with a problem way diplomatically. In order to solve a problem diplomatically, there has to be other voices who say, here's what we expect, and, if not, here are the consequences. And that's why it was so important to convince the Chinese, for example, to become a party to the six-party talks.

In the meantime, however, we have been working very closely with Japan on a variety of issues. You notice, we're no longer talking about basing issues. Why? Because our bilateral relations were such that we're able to deal with them. We were able to work together in Afghanistan and Iraq. We were able to work together on humanitarian issues in places like Afghanistan. In other words, our bilateral relations have thrived during this period when the six-party talks were constructed.

The only thing I can do is just tell people how I view it, when I go to Japan or through objective agents such as yourself. And it is: Our relations have been important; they are important, and they will be important. And as I said in my opening statement, this really is a cornerstone to our policies in Northeast Asia.

Hiro.

North Korea

Q. Thank you, President. Again, on North Korea——

The President. Sure, yes. Is this going to be six North Korea questions? [*Laughter*] I can handle all six, trust me.

Q. Well, last week, you said you don't have any—you have no illusions about the North Korean regime, Kim Jong Il. So the question might be hypothetical, but if North Korea——

The President. No, it is hypothetical, I can tell you—when you start with an "if." [*Laughter*] You can try a hypothetical. [*Laughter*]

Q. In the case North Korea does not fulfill its obligation, such as disclosing a number of the weapons that they have or nondisclosing of the enrichment——

The President. Or dealing fairly on abductees.

Q. ——yes, abductees or proliferation issue, activities to Syria, what kind of message do you think you'd——

The President. Well, we'll of course work with our partners. Now, for example, these won't be unilateral sanctions. These will be multiparty sanctions. But first of all, this regime is highly sanctioned. They have been isolated. And if they choose not to move forward on an agreed-upon way forward—action for action—there will be further isolation and further deprivation for the people of North Korea.

The regime had made a conscious decision to at least make a declaration within the six-party talks to move forward. I would only surmise that perhaps the leader of North Korea is tired of being isolated in the world and would try to advance his country in a way that makes it easier for the people to have a better life.

And therefore, if you read the statements that started the six-party—that confirm the six-party talks, about what the pledges are, there are very concrete—it's a concrete action plan. But keep in mind, at this point in time, this is still a regime that is highly sanctioned. So step one is, if he chooses not to move forward, then the status quo is for certain, and he'll remain highly sanctioned. And then, of course, there will be great disappointment with the other parties involved in the six-party talks.

Expectations are that he will move forward, action for action. But if he doesn't, we now have partners at the table who will be wondering how best to send yet another message to him. And the good news: It won't be just Japan and the United States, there will be other countries there. This is how multilateral diplomacy works.

And I repeat to you, the six-party talks have been aimed to set a framework in place that will serve as an inducement to go forward, but also that can be consequential. And we, of course, will consult with our partners to deal about—I mean, step one is no change in the current status, which means highly sanctioned—probably the most sanctioned nation in the world. And step two is, of course, we'll consult and figure out a way forward.

My hope is, is that the North Koreans continue to move forward. And you mentioned what we expect. We expect there to be full declaration of manufactured plutonium; we expect there to be a full disclosure of any enrichment activities and proliferation activities; and we expect the abductee issue to be solved.

Kenji.

Environment/Technology/Energy

Q. Thank you, Mr. President. I'd like to ask a climate change issue.

The President. Climate change, yes.

Q. In the upcoming summit, Prime Minister Fukuda hopes to set a long-term goal for curbing greenhouse gas emission, and I think you share the idea. What goals do you have going into the summit, and do you expect to strike an agreement on that?

The President. I'm hopeful we can strike an agreement. But I caution everybody that such an agreement must have all of us who create greenhouse gases, not just those of us around the table at the G–8. And that's why we worked with the Prime Minister to have this major economies meeting; it was to strengthen the G–8, is to make it relevant.

You know, it's an interesting notion that—I said today in my press availability in the Rose Garden—I don't know if you were there or not—you know, I wonder whether or not some of these nations who are creating greenhouse gases, but considered still developing nations, are used to the period of Kyoto, when they weren't held to account about what they were producing. I wonder if that's their mindset. Because if it is, it'll make any international agreement ineffective if they're not a part to it, because, you know, it is estimated that—well, China is creating a lot of greenhouse gases and will continue to do so. And therefore, Japan and the United States can maybe make decisions that affect our own production, but it will be ineffective at solving the problem unless China is with us.

And so my hope there is to move the process along so that we, at a very minimum, send a clear message to developing countries that are producing greenhouse gases that we expect you to be a part of an agreement. And step one is a long-term goal. In other words, if you can get nations to commit to a goal, you've got them committed to a process. If, however, the process doesn't matter whether you're a part or not, or you may be a part at some point in time, in my mind that won't produce the results that are necessary to deal with the global climate change issue. And so we'll see how that goes. We're working it very hard, as is the Prime Minister and other nations.

The other thing we can do is we can talk about some just practical things we can do, such as insisting that we reduce tariffs and trade barriers on pollution equipment. It makes no sense to make such equipment prohibitively expensive when it is—when there are some basic technologies that could move and can help. And I will be talking about technologies there as well. And I told you about some of the technologies dealing with automobiles and, you know, the interesting thing is, is that the world is now beginning to waken up to the beauty of nuclear power.

And, I mean, if one is really concerned about global warming and greenhouse gases, they ought to be carrying signs insisting upon the development of nuclear powerplants. This is renewable energy with zero greenhouse gas emissions. And yet the world—parts of the world are very reluctant about—even in our country, it's very difficult to build a plant. We've been able to get some regulatory relief through government action. I think four new plants have been permitted, or four expansions have been permitted. But we ought to be—about 25 percent of our electricity comes from nuclear power, and it ought to be a lot higher.

And you know, one of the things that interesting is, Japan and the United States are working on technologies to deal with the waste. And that will—if that—when that

technology comes to fruition, it will ease some people's concerns. There will be some who just simply will never buy into nuclear power. I fully understand that. But this will be a great opportunity to discuss about other things we can do while we're trying to work—you know, by the way, everything we're going to do is meant to strengthen the United Nations process and not weaken it.

And so, anyway, that's kind of what's on my mind going into the meetings.

Q. Thank you very much.

The President. Oishi.

U.S. Monetary Policy

Q. Hello.

The President. Yes.

Q. Nikkei is economic newspaper, so let's talk about economy.

The President. You're an economic newspaper?

Q. Yes.

The President. You're the Wall Street Journal. [*Laughter*]

Q. More famous than the Wall Street Journal.

The President. More famous. [*Laughter*] Well, that's good.

Q. So, Mr. President, I know your strong U.S. dollar policy——

The President. Yes, that's true.

Q. ——but do you know how to make it stronger? Or do you expect the possibility of the U.S. intervention in the fiscal—financial market?

The President. We believe that the relative worth of economies should set respective currencies. And therefore, the best way to reenforce our strong dollar policy is to keep taxes low in the United States, ease regulatory burdens, become less dependent on foreign sources of oil, and make it clear that we're for free and fair trade. That not only means the trading of goods and services but also the investment, that the United States is open to investment. And to me, those are the best ways to deal with the fundamental aspects of an economy, that assures the world that the United States will be a vibrant, strong economy and that eventually will be reflected in our currency.

Would you like another economic question?

Q. Well, does Europe share the same view?

The President. Does who?

Q. Does Europe——

The President. Share the same view of the U.S. dollar? I think they want there to be—it's an interesting question. I heard concern about our dollar, and I believe they support the U.S. strong dollar policy.

Yes, sir.

North Korea/Iraq/Iran

Q. Thank you, Mr. President. My question is on North Korea and Iran.

The President. North Korea.

Q. North Korea and Iran.

The President. Okay, good.

Q. So you have looked at multilateral diplomacy in dealing with North Korea and made a decision to move it from the list of state sponsors of terrorism in return for actually a far from perfect declaration on its nuclear activities. Some people say that this is kind of appeasement or a double standard compared to the way you dealt with Iraq.

So do you think the way you dealt with Iraq—with North Korea, namely, action for action principle, through multilateral diplomacy, rather than military option, would be an effective and realistic motive for preventing an Iran with nuclear weapons? And if so, what exact action do you want from Iran? And what action is the United States ready to offer to Iran?

The President. Yes, sure, thank you. First of all, if I might, I'd like to reject some of the premises in your question. One, you said that—incomplete declaration. Well, we're in the process of determining whether or not North Korea did make an incomplete declaration. And if they did, they will remain the most highly sanctioned nation.

One thing is for certain is they did collapse their cooling tower on the plant that had been used to manufacture plutonium. I mean, that is a complete declaration, at least of that aspect of what they said—when they said they would dismantle—or disable and then dismantle. And so we've got—you know, there's a process. Things are going on. I guess we live in a world where everything is supposed to be instant, but I repeat to you, this

is a first step of a multiple step process, just so everybody understands.

Secondly, we conducted multilateral diplomacy in Iraq—oh, yes—1441 at the United Nations Security Council—the world came together and said, disclose, disarm, or face serious consequences, in a unanimous vote. Now my speech to the United Nations took place in September, early September of 2002. I don't know if you remember the debate during that summer. It was, "Will Bush go to the U.N. Security Council, or will this be a unilateral move without it?"—going to this world body. I think some might have been old enough to have covered that story here.

And the answer was, I did go to the U.N. Security Council. We did conduct multilateral diplomacy, and the world was supportive of saying to Saddam Hussein, disclose, disarm, or face serious—and he made the choice. He was the one who got to make the choice because he—you know, he defied the world.

And so I have always said that diplomacy has got to be the first choice of solving any of these problems. But military options remain on the table, and they remain on the table for these three issues you discussed. I happen to believe multilateral diplomacy is the most effective way to solve some of these very difficult problems, because there needs to be more than one voice in saying the same thing. Because, in the past, if you're there alone and you say something and then the leader basically rattles people's cages or makes them nervous, guess who the world rushes to? Not to the person rattling the cage; it rushes to, in this case, the United States: "Fix it; get him what he wants." And it didn't solve the problem.

Now I understand sometimes people love process so everybody feels good, you know. But that's not what I—this administration is trying to solve problems. And the best way to solve the problem in North Korea was to have others at the table along with us—and same with the Iranians. Now this has been difficult to get there to be a focused message because some are worried about market share. You know, the message to the Iranians is: Verifiably suspend your enrichment program, and there's a better way forward.

And by the way, in 2003, it looked like we were in the process of convincing the Iranians to verifiably suspend their enrichment program. And the United States was working with our partners in Europe, sending a message that you can end your isolation. And then Ahmadi-nejad came along and changed the tone and changed the—evidently changed the policy of the government. And so now, Iran is much more confrontational. But our message hasn't changed: Verifiably suspend your enrichment program, and there is a better way forward.

So there are carrots and there are sticks. We're working hard to make sure that the sticks mean something. And I've been pleased by the U.N. Security Council resolutions that have been issued by our friends in the United Nations Security Council in a way that says to the Iranians, we're serious about your change of policy. The choice is theirs. We've made our choice.

Now, one thing that's interesting—I think I'll—you find this interesting, at least you'll play like it's interesting—is this: Should the Iranian regime—so I'm the guy who just talked about nuclear power, right? Should the Iranian regime—do they have the sovereign right to have civilian nuclear power? So, like, if I were you, that's what I'd ask me. And the answer is, yes, they do. And I have said so publicly time and time again. But they don't have the right, as far as the U.N. Security Council, for example, goes, to enrich, because they haven't told the truth about their program; therefore, they can't be trusted with enrichment. After all, enriching uranium is a step toward having a nuclear weapon.

So we worked with the Russians, Vladimir Putin and I worked on—and he took the lead on this issue, for which I am grateful. So he goes to the Iranians and says, we'll provide enriched uranium for you. You have a sovereign right—Bush has said you have a sovereign right to have nuclear power. But because you have defied the IAEA in the past, we'll provide enriched uranium for you, and we'll collect the enriched uranium; therefore, you don't need to enrich. And if you insist on enriching, it must mean you want a weapon.

And so multilateral forums enable people to come up with those kinds of tactics that are effective. And so, you bet, the multilateral forum is the best way to solve this peacefully.

Okay, guys. I hope you've enjoyed it as much as—oh, you want to ask more questions? I'm sure you do. Well, that's generally what happens with one of these things.

Okay, you better hurry——

Ms. Perino. Lightning round.

The President. Lightning. Quickly.

Japan's Antiterrorism Law/Japan's Role in Afghanistan

Q. Quick, move to Afghanistan. Japan has been providing the support—support to multilateral force, including United States, in Indian Ocean, to support Afghanistan. But the law that enables maritime Japanese force to do that will expire in July.

The President. Next July.

Q. Next July.

The President. A year from now.

Q. Yes, next July.

The President. Right. And so——

Q. And U.S. has been——

The President. We were very pleased that they renewed the law.

Q. And Secretary Gates has been asking to either extend or even enhance, like sending helicopters, CH–47s to Afghanistan. And I was wondering whether you can explain to the Japanese why such upgraded participation in the war in Afghanistan serves the interests of Japan, apart from simply meeting the expectation of the United States?

The President. Because when Al Qaida—forces like Al Qaida have a safe haven to attack friends and allies, or Japan itself, it's a danger to peace. And as for the Japanese contribution, we are very grateful for what we have, and we appreciate the government getting the current extension through the Parliament. And we, of course, will work with our allies to determine whether or not an enhanced presence could be useful. And if the government can support that, fine. But I just want you to know how grateful I am for the contribution, as well as the humanitarian contributions.

It also ought to make the Japanese people feel good to know that they're helping young girls go to school, or they're helping people get their food to market. Does it matter? Yes, it matters, if you care about the human condition. So the contribution has been great.

Sato. Got another question? If not, I will applaud you.

Japan-U.S. Relations/Nippon Professional Baseball

Q. Yes, I have a very personal question, so——

The President. A very what kind?

Q. On the history, for——

The President. Personal, yes.

Q. During your Presidency, the Japan-U.S. relationship was very strong. But there are still unresolved issues on—regarding Pearl Harbor and Hiroshima. And some historians propose that the Prime Minister should visit Pearl Harbor and U.S. President should visit Hiroshima.

The President. That's interesting.

Q. What do you think about this?

The President. My attitude is, is that I—look, this was a painful period in our respective histories. After all, my father, for example, was a young Navy fighter pilot at war with Japan. But my experience has been very different, because one of my best friends was Prime Minister Koizumi. Isn't that interesting? And one reason why is because we put the past behind us and focused on the future.

And symbolic gestures like that may make sense. I don't know. I haven't really thought about it. It's an interesting idea. You're the first person that's ever brought it up to me, I want you to know. But whoever the next President is must, one, understand the importance of the relationship, and two, be thinking about the future, because we share values; we've got a lot of work to do. We've had interesting economic relationships throughout our history. As you know, I believe in open markets, free and fair trader. That—to me, if I were somebody living in Japan, I'd say, well, there's a fellow who has put the past behind him and is focusing on what's in the best interests of both countries.

So it's an interesting suggestion. This will be—it won't work for me; this is my last trip to Japan as President. Supposed to never say never, but I—let me just—I predict this is

my last trip to Japan. And I'm not saying I'm happy about it.

So—is anybody going to ask me about Bobby Valentine? [*Laughter*] You don't even know who Bobby Valentine is. He was the old coach of the Rangers who's a manager of one of the Japanese baseball teams, and he's done very well in Japan. People like Bobby, don't they?

Q. Yes.

The President. Yes, he's—last time I was in Japan, Bobby was there at the airport with Mr. Oh. [*Laughter*]

Q. Oh. [*Laughter*]

The President. The Babe Ruth of Japanese baseball.

Q. Oh, yes, that's right.

The President. Okay? Got anything, Hiroki?

China/Japan

Q. Yes, please.

The President. You're the guy who thought of it.

Q. On China?

The President. China, yes. See how generous I am to give you all these questions?

Ms. Perino. You're ruining the lighting round aspect of it.

The President. Okay, keep moving. [*Laughter*]

Q. Actually, I would like to ask you what's your view on current relations between U.S. and China? Because 7 years ago, U.S. military plane was forced to land on Hainan Island.

The President. That's right, yes.

Q. And then, I would like to ask you, then, how you see the evolution of the China-U.S. relationship since then? And also, there is some concern in Japan that future of Asian—[*inaudible*]—U.S. and China will jointly manage the stability and prosperity. How do you see——

The President. First of all, the cornerstone of U.S. policy is good, strong relations with Japan. So, as far as the Bush administration goes, that has been our policy, and we've acted on it. That's not to say we can't have good relations with China, nor Japan can have good relations—I mean, Japan should have good relations with China. And we expect Japan to work hard to have good relations with Japan, just like Japan ought to hope that we have good relations with China, which we do. Our relations are strong, and some say, have never been better. I'll let the experts judge that.

And one reason why is, we've managed some difficult issues together. The Taiwan Straits issue is a difficult issue, and it looks like it's in a much better spot. I have worked hard to have a good personal relationship with Hu Jintao and Jiang Zemin, his predecessor, so I can speak frankly to them.

And my big concerns about China are religious freedoms and individual rights and political freedoms. Every time I've met with the Chinese leader, which has been a lot, I've had a very frank and open dialog, and yet been able to maintain a good, cordial relationship so we can work through problems. One such problem is no nuclear weapons on the Korean Peninsula. We've got big economic relations with China, as does Japan.

And so I don't view the world as zero-sum. In other words, if you got a good relationship, strong relationship, you can't have a good relationship with China; quite the contrary. In good foreign policy and good diplomacy, a good relations with one makes it easier to have a better relations with another country. And that's how we've conducted our policy.

China is a very interesting issue for all of us. Right now they're dealing with trying to get their economy such that people in the rural parts of their country are able to benefit. And it's a challenge. And they're using a lot of raw materials—and one reason why it's important for Japan and the United States to help them develop the technologies that make them less dependent upon some of these raw materials—that have affected worldwide price of raw materials.

And so it's a—it will be a very interesting issue for future Presidents, but we've been able to manage it very well.

Kenji.

2008 Presidential Elections

Q. Thank you.

The President. Yell your name. [*Laughter*]

Q. I'd like to ask about the Presidential election.

The President. Yes, I don't talk about it, Kenji. [*Laughter*] The American people are going to get to pick. I'm for McCain, if that's what you want to know. [*Laughter*]

Q. ——Presidential election and U.S. foreign policy.

The President. I like a persistent guy. Keep going.

Q. Yes, thank you very much. [*Laughter*] So with one candidate who supports your foreign policy and another who sharply criticizes it, so how do you think this election will affect the rest of the world?

The President. The rest of the world?

Q. Yes.

The President. You know, I'm—that's a good question. I'm for John McCain because I think he'll do a better job on foreign policy and domestic policy. But, Kenji, you know, I really am not going to spend a lot of time opining about the current election. The American people will filter it out. It's very early in the election cycle. This fall is really when the campaign begins in earnest—the debates, and people start to really focus on it. Right now it's a lot of the pundits and a lot of the pros and experts, some of whom are sitting right behind you, that are——

North Korea

Q. So do you believe that the next U.S. administration will continue your policy on North Korea?

The President. I think whoever gets in the White House will take a look and say, gosh, it makes sense to have other people at the table other than the United States in order to effect good diplomacy. Diplomacy—in order for diplomacy to be effective, it has to be consequential. In other words, when five people say, here's the way forward, and if you choose not to do so there will be consequences—or if you choose to do so there will be consequences, it is much more effective than one nation sitting there saying, please change your habits.

And so I—you know, I'm going to leave it to the candidates. They'll have to make up their own mind. But at least there's a multilateral forum in which to deal with this problem. Hopefully it's progressed a long way down the road by the time whoever comes in the Oval Office. We're pushing forward on an action for action, verifiable—and by the way, the next stage of this, just so everybody is comfortable, there will be a verifiable—a verification regime in place, so that—to answer your question, Michiro, it will be less speculation and more transparency.

Thank you, sir.

Oishi. Another economic question?

Energy/Technology

Q. You must be the most excellent expert on oil business.

The President. Yes. [*Laughter*] Look where our price is. [*Laughter*]

Q. Well, actually, I'm suffering high gas prices.

The President. You are?

Q. Every day.

The President. Yes, you are.

Q. So what can you do to curb energy inflation?

The President. Yes, a couple of things: One is you either—just—this is pure economics. You'll understand this better than anybody here. You either increase the supply of something or decrease the demand of something in order to affect price—down. The habits of the United States consumer is beginning to change because people are now—they don't like $4 gasoline. I can understand why they don't like $4 gasoline. People are now looking for smaller cars.

That takes a while, however, to change. I fully understand that. But demand is beginning to shift in our country. And in order to affect worldwide demand, it seems like all of us—Japan, the United States, and others at the G–8—need to convince some of the people coming to the G–8 to stop subsidizing their consumers or at least reduce the subsidies somewhat so that there is some effect on demand. Price cannot affect demand if people's habits are subsidized by state enterprise or the state.

Secondly, the strategy on energy has got to be twofold, at least from the United States perspective: One, spend money and come up with technologies. That will mean we have to use less gasoline, therefore—in automobiles, for example—less gasoline and, therefore, take the demand off of crude oil.

And I mentioned one such technology that I thought was interesting for me to mention it, recognizing the ascendancy of the Japanese technology in the battery market. I've spent a lot of time on this issue, and I think people would say that the Japanese autos and the Japanese R&D is very advanced on battery technologies, which is good. People say, well, doesn't that upset you? And my answer is, absolutely not. I'm interested in technology and technological breakthroughs, and I'm pleased that our friends—the investment that this government and the private sector has made is hopefully going to pay off soon. It's beneficial to the world.

And the high price is going to spur a lot of investment. That's what I've explained to the main suppliers of crude oil. So when I went to Saudi Arabia, I said, this high price is hurting your consumers, your customers, and it's going to cause a lot of research and development to diversify away as fast as possible, which is what's happening.

In the meantime, we better transition to this period. In other words, evidently our Congress must have thought that there will be instant technology on the market because they prevented us, since 2001, from exploring for known oil and gas reserves that we can do in environmentally friendly ways. And now all of a sudden the price got high enough where the American people are now beginning to hear that message, and I hope the Democrat leaders in Congress hear it, which is, you know, allow this new technology be deployed to find new reserves. And the sooner we do this the better. And it will certainly affect—at the very minimum, affect the psychology of the world, to see that new supplies of crude oil could be coming on the market in the United States.

So that's our strategy, technologies and, in the meantime, find more oil here at home. And there's more oil to be found. And I can assure you, Japan wishes they had these reserves, you know, and you'd be finding them. And you wouldn't be hamstrung by politicians refusing to allow this to go forward.

Michiro.

Iraq/War on Terror

Q. Last question on Iraq. What is your evaluation about where Iraq is now? Do you think now if the U.S. can afford to withdraw more troops from Iraq, or will you leave that decision to the next administration? What is your assessment on war on terror in general, during your two terms?

The President. Well, thank you. Let me make sure I get—this is the old three-part question, and I'm about to be 62 years old, so—[*laughter*]. By the way, I will be celebrating my birthday on Japanese soil. That's interesting.

Q. Congratulations.

The President. Yes, come to the party. It's not going to be much of a party; it's only 62.

Let's see, Iraq and troops. Okay. First of all, there was—the people have—okay, you got to have benchmarks. I think there was 15 benchmarks—18 benchmarks. And one way to evaluate progress is to measure what's actually happened to what was expected. And the progress is undeniable. What happened was security was such that the politics and the economics could move forward. And for a period of time, that was not the case. That's why we sent more troops in. The combat brigades of the surge will finally come home. The last one will be home in July. So we are in a policy of return on success.

I will listen to General Petraeus when he returns in September as to whether or not we can achieve our objective with fewer troops. That's up to our commanders. In other words, I'm not going to run a poll during the political season, or any time, to determine what's the best policy. The policy is determined by the considered judgment of our commanders. And my hope is the next President will have that same standard. That's going to be up to that person to make the right judgments.

In terms of the war on terror, step one is to recognize we're at war. Some in our country don't believe we're at war. If you don't believe we're at war, that this is a simple law enforcement matter, then what you do is you wait until something happens and then react. You know, law enforcement is, there is an action, there's a crime, and then there—law enforcement acts.

In war, what you do is you prevent the enemy from hitting in the first place. That's why Iraq and Afghanistan are very important

theaters in the war on terror. People—some think these are separate wars. It's the same war against ideologues who murder the innocent to achieve their political objectives. These are just different fronts in the same war.

And, you know, I am not surprised that a lethal enemy pushes back through the use of their indiscriminate violence to stop the advance of free societies, because this is an ideological war. When they see freedom on the march, it frightens them and it worries them to the point where they kill innocent people to try to shake the will of the people in that country and to shake the will of those trying to help them.

And so, one, we've taken on the enemy; and two, we've had good success against Al Qaida. The first and second person is still alive, but the number three person in Al Qaida has had a dangerous existence—Khalid Sheikh Mohammed, al-Libi, a series of leaders. And we are pressuring them today, and we'll keep pressuring them. And my hope is, whoever the next President—understands this is a war, and that we can't relax. And that there's an enemy that wants to do free people harm, and that we have an obligation as free societies to keep the pressure, not only for our own security but for the security of others.

This is back to this man's question down here about, why should we care about Afghanistan? The answer is, is because safe haven is a risk. But there's also another answer. That's one of the great lessons of our relationship. You know, I marvel at the fact, and I talk about it a lot to the American people, of the irony about Prime Minister Koizumi and my relationship. It's a great testament to our respective countries and the transformative power of liberty that my dad fought the Japanese, and his son sits at the peace table with the Japanese leaders in a spirit of respect and friendship and common values.

Anyway, thank you. Enjoyed it.

Q. Thank you very much.

The President. Very good questions.

Q. Thank you very much, sir.

NOTE: The interview began at 12:46 p.m. in the Roosevelt Room at the White House. In his remarks, the President referred to Prime Minister Yasuo Fukuda and former Prime Ministers Yoshiro Mori, Junichiro Koizumi, and Shinzo Abe of Japan; Sakie Yokota, mother of Megumi Yokota, who was abducted by North Korean authorities; Chairman Kim Jong Il of North Korea; President Mahmud Ahmadi-nejad of Iran; Prime Minister Vladimir Putin of Russia, in his former capacity as President; Bobby Valentine, manager, Nippon Professional Baseball's Chiba Lotte Marines; Sadaharu Oh, manager, Nippon Professional Baseball's Fukuoka SoftBank Hawks; President Hu Jintao and former President Jiang Zemin of China; Republican Presidential candidate John McCain; Gen. David H. Petraeus, USA, commander, Multi-National Forces—Iraq; and Khalid Sheikh Mohammed and Abu Faraj al-Libi, former senior leaders of the Al Qaida terrorist organization currently in U.S. military custody. This interview was released by the Office of the Press Secretary on July 4. A tape was not available for verification of the contents of this interview.

Remarks at an Independence Day Celebration and Naturalization Ceremony in Charlottesville, Virginia

July 4, 2008

The President. Thank you, and happy Fourth of July. I am thrilled to be here at Monticello. I've never been here before.

[*At this point, there was an interruption in the audience.*]

The President. To my fellow citizens-to-be, we believe in free speech in the United States of America.

And this is a fitting place to celebrate our Nation's independence. Thomas Jefferson once said he'd rather celebrate the Fourth of July than his own birthday. For me, it's pretty simple, the Fourth of July weekend is my birthday weekend.

For some of you, today will be your first Fourth of July as American citizens. A few moments, you will take part in the 46th annual Monticello Independence Day celebration and naturalization ceremony. When you raise your hands and take the oath, you will complete an incredible journey. That journey has taken you from many different countries; it's now made you one people. From this day forward, the history of the United States will be part of your heritage; the Fourth of July