

NOTE: The President spoke at 9:53 a.m. in the Cabinet Room at the White House. A tape was not available for verification of the content of these remarks.

The President's News Conference With European Union Leaders

June 25, 2003

President Bush. Thank you all for coming. We'll have opening statements; each of us will answer one question apiece.

It's my pleasure to welcome Prime Minister Simitis and President Prodi here to the White House. We've had constructive discussions. We had a nice lunch.

Since the end of World War II, the United States has strongly supported European unity as the best path to European peace and prosperity. We believe as well that strong ties between America and Europe are essential to peace and the prosperity of the world.

Both the United States and the EU are threatened by global terror, and we are determined to defeat it. Today we have signed new agreements to increase our legal cooperation in the war on terror and to speed the extradition of terrorists. Under these agreements, we will form joint investigative teams and share information on suspect bank accounts and expand the range of offenses that qualify for extradition.

Today the United States and the EU have also taken new steps to help stop the gravest threat to our security, the proliferation of nuclear, biological, and chemical weapons. We have signed—we have agreed to work together and with others to strengthen export controls on dangerous materials. We also seek new methods, including active interdiction, to stop illicit trade in weapons of mass destruction.

The United States and the EU are working closely to meet the proliferation challenges posed by North Korea and Iran. The recent report by the International Atomic Energy Agency clearly describes Iran's failure to meet its obligations to the world and to provide access for agency officials.

America and the EU agree that Iran must cooperate fully with the IAEA. We agree that Iran must sign and comply with an additional protocol giving the IAEA new tools to inves-

tigate clandestine nuclear weapons activities. Iran has pledged not to develop nuclear weapons, and the entire international community must hold that regime to its commitments.

The United States and the EU are determined to make the world not only safer but also better. We will work together to help the people of Iraq build a future of security, prosperity, and freedom. We'll work together to confront global poverty, disease, and oppression. And Europe and America will stand together for a Middle East so—that will have a just and comprehensive peace. We'll work together to achieve the two-state solution endorsed by the parties earlier this month at the Red Sea Summit.

Progress toward this goal will only be possible if all sides do all in their power to defeat the determined enemies of peace, such as Hamas and other terrorist groups. Nearly every hopeful moment in the region, nearly every sign of progress toward peace is followed by more murders in the guise of martyrdom, as those who oppose peace do all they can to destroy the hopes and aspirations of those who desire to live in peace. I urge the leaders in Europe and around the world to take swift, decisive action against terror groups such as Hamas, to cut off their funding and to support—cut funding and support, as the United States has done.

We also had a good discussion today about the vital trade relationship that brings growth and job creation to America and to all the nations of the EU and to the world. Today we are launching negotiations on a comprehensive air services agreement, better known as Open Skies, that will benefit our consumers, our airlines, and our communities. We've also agreed to accelerate the commercial use of clean and abundant hydrogen energy. We're working toward a multilateral agreement to ban market-distorting steel subsidies. And we agree on the importance of making the upcoming World Trade Organization meeting of trade ministers in Cancun a success, so that we can energize the global trade negotiations.

We meet at an important moment, a time when the EU is taking in new members and writing a new constitution and a time when both Europe and America are facing new

challenges in the world's peace and prosperity. We are united in common values, and we will seek common solutions to our shared challenges.

We've had a great meeting. Mr. Prime Minister, welcome.

President Simitis. Thank you, Mr. President. We had a very fruitful, very friendly meeting with President Bush. This is our first meeting after the crisis in Iraq. I want to stress, because many people said that there was a serious period of strain, that the transatlantic relationship does work. It produces results, and it is important for both of us. It's been of fundamental importance, I would say.

The economic interdependence between Europe and the United States is inescapable and is of vital importance—vital importance to jobs and economic growth on both sides of the Atlantic and for the global economy. Our economic relationship sustains our security and prosperity. Cooperation with the United States in the security and defense field is unavoidable as it is desirable. A solid and productive transatlantic relationship is essential for international order.

Europe and America share a common attachment to the fundamental values of freedom and democracy and the rights of man, though they sometimes differ in their appreciation as how to best implement the principles.

As President Bush said, we discussed how to strengthen our relationship. We identified issues which we have common objectives, shared interests, and where we can both contribute. The Middle East and the application of the roadmap remains at the top of the list. We have the same interest that there is peace in the Middle East. Counterterrorism is certainly a common issue, and that's why we also agreed on a declaration on nonproliferation on weapons of mass destruction.

The development issues in Africa and elsewhere are ripe for a more detailed dialog. Economic affairs and the justice and home affairs agenda are also subjects that can be pursued in the mutual benefit of both of us and the wider international community. From the agreements and declarations that we agreed today, I want to mention the mu-

tual legal assistance and extradition agreement is the first agreement on legal cooperation in the fight against crime that the European Union signs with a third country.

The United States and the European Union cannot possibly have and share on foreign policy or trade interests in all areas the same opinions. There will be issues and times where we will differ. But friendship presupposes that we will have to agree to differ, to accept to differ. And friendship presupposes that we must be disciplined and manage our differences. We should always act on the basis that what unites us will always outweigh any issue that divide us.

I think that meeting today was a very good meeting because it allowed us to discuss matters where we differ, trade matters, matters where we agree, and matters where we can cooperate in order to have a common result—I think, a common result that will be good for not only Europe and the United States but for all those that are interested in peace, security, and growth.

Thank you.

President Bush. Thank you, Mr. Prime Minister.

Romano.

President Prodi. I have not to add that it was a very good meeting, because it was a very good meeting atmosphere. We concentrated on concrete decisions because we have not to waste our energy in talking about difference, because we shouldn't get nowhere and the difference are shrinking. So we are growing together.

And we have, first of all, launched the talks for the creation of a transatlantic open aviation area. This will change the industry of transport—aviation transport and will provide better service, lower price, and more choice for the 11 million people who cross the Atlantic every year, and even more in the future.

Second, and this is a joint—we are starting a major joint research effort on hydrogen energy. And this is important for the future and show that we can work together even on issue where—that touch there on the border of other issue which we have disagreement, like Kyoto.

Third, we have decided to have a joint responsibility making the Doha development

round a success. And without close cooperation between Europe and U.S., there will be no success. And we cannot afford to fail because a trade war will be heavy, heavy damage. On this aspect, we also exchanged our views on the reform of the—big, big, big reform of the common agricultural product that Europe is trying to do, and that our discussed in this hour when we are here, you know? And I hope that we can arrive to Doha with really a new picture of our agriculture.

And you know, therefore, I fully agree with the President when he recently declared it important that, when Europe and the U.S. are united, no problem and no enemy can stand against us. This is the real lesson. I would only add that if we fail to unite, every problem may become a crisis and every enemy a gigantic monster.

I say to end this with this brief analogy: Many people have said that Europe is too old. Maybe, but the old age helps us to understand our strength and our weakness and the reality of the world. And so, I say that we—if we stay alone, President, Europe is too old and the United States too young—[laughter]—to be able to bring peace in this world. And it is our duty to stick together to bring peace to the world.

Thank you.

President Bush. Well, thank you, Romano. You're looking pretty young these days. [Laughter]

President Prodi. I am not. [Laughter]

President Bush. Here's what we'll do. We'll call upon—each of us will call upon a member of the press. We ask you to limit your questions to one question, to one person.

Dana Bash, CNN.

Hamas

Q. Mr. President, thank you. There are reports that there is a cease-fire agreement among Hamas and a few other Palestinian organizations, that they've promised to stop the violence for at least 3 months. What do you know about that? And what—if true, what do you expect to happen next from both sides, both Israelis and Palestinians?

President Bush. As I was walking in, somebody told me about the report. I'll believe it when I see it, knowing the history

of the terrorists in the Middle East. But the true test for Hamas and terrorist organizations is the complete dismantlement of their terrorist networks, their capacity to blow up the peace process. That's the true test. It's one thing to make a verbal agreement. But in order for there to be peace in the Middle East, we must see organizations such as Hamas dismantled, and then we'll have peace. Then we'll have a chance for peace.

I like to remind people that there are three parties involved directly in the territories there. There's the Israeli Government. I believe the Israeli people want peace, and I believe their Government when they say they want a peaceful state, living side by side Israel. Secondly, there are the people of the Palestinian world who are tired of failed leadership, tired of terrorism destroying their hopes, tired of living in poverty, and they too want a peaceful state. And then there are the terrorists, like Hamas, who do not want a peaceful state, and they're willing to use terrorist means to destroy it. In order for there to be peace, Hamas must be dismantled.

European Union Defense and Security Policy

President Simitis. [Inaudible]

Q. Mr. Prime Minister, in the last few weeks and months, we heard from both sides of the Atlantic some opinions, some politicians expressing concern about the European community policy on defense and security. Did you—they say, for example, that it is going to undermine the NATO, generally speaking, that it's going to be a kind of threat to the United States, be worse in other things. Did you discuss this kind of thing today, and may I have your opinion of this? And I would really like to hear the President's opinion.

President Bush. You're trying to violate the one-question-per-person rule. [Laughter] It's okay. Nice try, though.

President Simitis. We discussed with President Bush—this is not a subject of discussion. I explained what we are doing in the European Union, why this is necessary, and, I think, why it's in the interest of both of us. Europe should be capable to deal with security problems at its borders or elsewhere

in the world. And we have a very good example now: There is a European force in FYROM, and this European force took the place of a NATO force. And we discussed about having a European force also in Bosnia-Herzegovina, and—instead of a NATO force. This will be also positive for the Balkans.

I think it's a big mistake to believe that the development of a European and security policy takes place in adversity with the United States. I think that both the United States and us have an interest to have a strong defense, because a strong defense in our case will help the United States and a strong defense of the United States helps us also. And a good example again I'll bring is Afghanistan. We discussed about Afghanistan. As you know, there is—there are German soldiers in Afghanistan. There are United States soldiers in Afghanistan. We have a common policy in order to have more peace and security in Afghanistan.

And also the question that this security policy is a threat to anybody, I think it's ridiculous because we have a very clear policy in these questions. If there is a confrontation, then international law must be applied. And the United Nations Security Council has to decide on differences. As for example, Greece has always said, concerning the problem of the continental shelf, it's a—with Turkey, that the international court of justice has to decide.

So the European development in concern with defense cannot be a threat to anyone. It's, I would say, a decisive step for peace.

President Bush. Romano.

Iran's Clandestine Nuclear Weapons Activities

Q. Mr. Prodi, when you discussed Iran with President Bush, did you raise the question of what would happen if Iran does not comply to sign up to enhanced inspections?

President Prodi. We discussed deeply about Iran, but I didn't ask him what he would do, you know. I tell my opinion. [*Laughter*]

President Bush. Iran must comply. It's—the free world expects Iran to comply. Just leave it at that. They can—

Q. And if it doesn't?

President Bush. We expect them to. See, you're assuming they won't. We believe they will when the free world comes together.

President Prodi. I tell you that the dialog is—

President Bush. And if they don't, we'll deal with that when they don't.

President Prodi. The dialog with Iran is going on daily and deeply. And we push that they accept all the inspections, even the non—let's say, planned inspections because we have to be sure that doesn't constitute a danger to future peace. We have to be absolutely sure.

President Bush. Yes. If the world speaks together, they'll comply.

Thank you all very much for coming. We enjoyed it.

NOTE: The President's news conference began at 1:20 p.m. in the East Room at the White House. The President met with Prime Minister Konstandinos Simitis of Greece, in his capacity as President of the European Council, and President Romano Prodi of the European Commission. In his remarks, President Prodi referred to the Kyoto Protocol to the United Nations Framework Convention on Climate Change.

Joint Statement by President George W. Bush and European Council President Konstandinos Simitis and European Commission President Romano Prodi on Hydrogen Cooperation

June 25, 2003

We affirm our commitment, on behalf of the United States and the European Union, to collaborate on accelerating the development of the hydrogen economy as part of our broadening cooperation on energy. We aim to enhance the security of energy supply, increase diversity of energy sources, and improve local and global environmental quality. Our cooperation will lay the technical, legal, and commercial basis needed to accelerate the commercial penetration and trade of emissions-free hydrogen technology worldwide, in cars, buildings and power generation, to secure to our citizens and our posterity the abundant, secure, and clean energy