

believes strongly in liberty and the power of democracy and freedom to be transformative. And your country has shown that to the world. Israel is a thriving democracy, and its politics can be rough sometimes, just like the politics of America can be rough.

*President Peres.* [Inaudible]—the Israeli. [Laughter]

*President Bush.* Yes. Well, we share a common vision, though, of peace. I come with high hopes. And the role of the United States will be to foster a vision of peace. The role of the Israeli leadership and the Palestinian leadership is going to do the hard work necessary to define a vision. And so I thank you for your hospitality. I've really been looking forward to

this trip, and it's such an honor to be in your presence, sir.

*President Peres.* Thank you very much. We met, actually, the first time in 1990—

*President Bush.* That's right.

*President Peres.* —the young American President on his ship.

*President Bush.* That's exactly right.

*President Peres.* And since then, we are sailing.

NOTE: The President spoke at 3:12 p.m. at the President's Residence. President Peres referred to Secretary of State Condoleezza Rice; and President Mahmoud Abbas (Abu Mazen) of the Palestinian Authority. A portion of these remarks could not be verified because the tape was incomplete.

## The President's News Conference With Prime Minister Ehud Olmert of Israel in Jerusalem January 9, 2008

*Prime Minister Olmert.* Good evening. I am proud and delighted to welcome President Bush to the Prime Minister's home in Jerusalem. We spent more than 2½ hours talking privately and with the delegations, and this was a very interesting and, I think, very important meeting, Mr. President.

I think your visit is timely and is very important to encourage the process that you and Secretary Rice helped start in Annapolis a few weeks ago, and that we, both sides, I believe, are very seriously trying to move forward with now in order to realize the vision of a two-state solution, a Palestinian state for the Palestinian people and the State of Israel, the homeland of the Jewish people and the Jewish state.

I want to thank you—this opportunity—for the friendship and the support for the security of the State of Israel that you have manifested for a long period of time,

throughout your tenure as President of the United States of America. This last year, you decided to increase the annual support for the State of Israel for an overall package of \$30 billion, which is remarkable and important and is very helpful for the future of the State of Israel.

We discussed regional issues and the bilateral relations between Israel and America and naturally, of course, the progress that we envisage for the negotiations between Israel and the Palestinians. And I hope, Mr. President, that you felt through these talks that the Israeli team is absolutely committed to carry on these negotiations in a very serious manner, to deal with all the core issues that we need to deal in order to bring about an agreement that will have to be implemented, subject, of course, to the implementation of the roadmap, as we agreed with the Palestinians and as you

have announced in Annapolis in the international meeting. That was a very important and encouraging meeting, with the participation of so many countries coming from the region and from all parts of the world.

We are dealing with serious security problems. Only today the terrorists were shooting many Qassam rockets on the southern part of Israel, and mortar shells and few of the rockets landed inside the city of Sderot. This is a serious problem. Israel does not tolerate and will not tolerate the continuation of these vicious attacks on uninvolved and innocent civilians living in our cities. And we made it clear to everyone that we'll take all the necessary measures in order to reach out for those who are responsible for these attacks, and we will not hesitate to take all the necessary measures in order to stop them.

There will be no peace unless terror is stopped, and terror will have to be stopped everywhere. We made it clear to the Palestinians; they know it, and they understand that Gaza must be a part of the package and that as long as there will be terror from Gaza, it will be very, very hard to reach any peaceful understanding between us and the Palestinians.

Mr. President, I want to thank you for your visit, for your efforts, for your friendship, for the power that you use for good causes for this region and for the world. Welcome.

*President Bush.* Mr. Prime Minister, thank you. I view this as an historic moment. It's a historic opportunity, Mr. Prime Minister, first of all, to work together to deal with the security of Israel and the Palestinian people—a matter of fact, the security of people who just simply want to live in peace.

We're in conflict with radicals and extremists who are willing to murder innocent people to achieve a dark vision. And this is an historic opportunity for the world to fight that—to fight those terrorists. It's an historic opportunity to spread freedom as a great alternative to their ideology, as a

society based upon human rights and human dignity, a society in which every man, woman, and child is free. And it's a historic opportunity to work for peace. And I want to thank you for being a partner in peace.

I believe that two democratic states, Israel and Palestine, living side by side in peace, is in the best interests of America and the world. I believe it's in the long-term security interests of Israel, and, I know, it'll provide a more hopeful society for the Palestinians. And that's why I articulated this vision early in my Presidency. And that's why I'm so pleased to have—to watch two leaders, you and President Abbas, work hard to achieve that vision.

It's in the interests of all of us that that vision come to be. I'm under no illusions; it's going to be hard work. I fully understand that there's going to be some painful political compromises. I fully understand that there's going to be some tough negotiations. And the role of the United States is to help in those negotiations.

It's essential that people understand America cannot dictate the terms of what a state will look like. The only way to have lasting peace, the only way for an agreement to mean anything, is for the two parties to come together and make the difficult choices. But we'll help, and we want to help. If it looks like there needs to be a little pressure, Mr. Prime Minister, you know me well enough to know I'll be more than willing to provide it. I will say the same thing to President Abbas tomorrow as well.

I come—you know, people in America say, well, do you really think these guys are serious? We've heard a lot of rhetoric in the past, a lot of grand proclamations. I wouldn't be standing here if I did not believe that you, Mr. Prime Minister, and President Abbas and your negotiators were serious. It is my considered judgment that people now understand the stakes and the opportunity. And our job, Mr. Prime Minister, is to help you seize that opportunity.

In the rest of my trip, I will be talking about the opportunity for Middle Eastern peace and remind people in the neighborhood that if they truly want to see two states living side by side in peace, they have an obligation—Arab leaders have an obligation to recognize Israel's important contribution to peace and stability in the Middle East and to encourage and support the Palestinians as they make tough choices. I'm an optimistic people—people say, do you think it's possible during your Presidency? And the answer is, I'm very hopeful and will work hard to that end.

We also talked about Iran. Iran is a threat to world peace. There was a recent intelligence report that came out that I think sent the signal to some that said, perhaps the United States does not view an Iran with a nuclear weapon as serious—as a serious problem. And I want to remind people, Mr. Prime Minister, what I said at the press conference when I discussed that National Intelligence Estimate. I said then that Iran was a threat, Iran is a threat, and Iran will be a threat if the international community does not come together and prevent that nation from the development of the know-how to build a nuclear weapon.

A country which once had a secret program can easily restart a secret program. A country which can enrich for civilian purposes can easily transfer that knowledge to a military program. A country which has made statements that it's made about the security of our friend Israel is a country that needs to be taken seriously. And the international community must understand with clarity the threat that Iran provides to world peace.

And we will continue to work with European countries and Russia and China, as well as nations in this neighborhood, to make it abundantly clear that—the threat that Iran poses for world peace.

So we've had a very constructive dialogue, and I'm not surprised. This isn't the first time we've had a chance to visit. Every

time we've had, I've come away impressed by your steadfast desire to not only protect your people but to implement a vision that will lead to peace in the long term. Thanks for having me.

*Prime Minister Olmert.* Thank you.

*Iran*

*Q.* [Inaudible]—Israel's finding about Iran are completely different than the NIE report. Given the duration and the unpopularity of the war in Iraq, there is a fear, a concern in Israel that your administration will not take the necessary action against Iran.

[At this point, the reporter asked a question in Hebrew, which was translated by an interpreter as follows.]

And the question to Prime Minister Olmert: Did you perhaps present to Mr. Bush positions that run counter to those of the Americans, and perhaps you are concerned that what he said now actually indicates that his hands are tied when it comes to Iran?

*President Bush.* [Inaudible]—what the NIE actually said. It said that, as far as the intelligence community could tell, at one time, the Iranians had a military—covert military program that was suspended in 2003 because of international pressure. My attitude is that a nontransparent country, a country which has yet to disclose what it was up to, could easily restart a program. The fact that they suspended the program is heartening in that the international community's response had worked. The fact that they had one is discouraging because they could restart it.

Secondly, there are three aspects to a weapons program. One is the capacity to have—enrich so that you can have the materials necessary to make a bomb. They're claiming they're enriching for civilian purposes. I believe that knowledge gained for civilian purposes could be transferred for military purposes. Therefore, our efforts are to stop them from enriching.

Secondly, the knowledge of how to convert any materials into a bomb—we don't know whether they have that knowledge or not. However, for the sake of peace, we ought to assume they do and, therefore, rally the world to convince others that they're a threat. Third, they've got missiles in which they can use to deliver the bomb. So no matter how you might have interpreted the NIE, I interpreted it to mean you better take the Iranians' threat seriously.

Secondly, I have always told the American people that I believe it's incumbent upon the American Presidents to solve problems diplomatically. And that's exactly what we're in the process of doing. I believe that pressure—economic pressure, financial sanctions—will cause the people inside of Iran to have to make a considered judgment about whether or not it makes sense for them to continue to enrich or face world isolation. The country is paying an economic price for its intransigence and its unwillingness to tell the truth.

The Iranian people, we have no qualm with the Iranian people; I'm sure Israel doesn't either. It's people with a proud history and a great tradition. But they are being misled by their Government. The actions of their Government are causing there to be isolation and economic stagnation. People went into office saying, we promise you this, and we promise you this economic benefit, but they're simply not being delivered. And so we'll continue to keep the pressure on the Iranians, and I believe we can solve this problem diplomatically.

*[Prime Minister Olmert spoke in Hebrew, which was translated by an interpreter as follows.]*

*Prime Minister Olmert.* We had a very thorough discussion, which, of course, also covered the Iranian subject, as President Bush said. And we discussed all aspects of this issue, and of course, it goes without saying that we shared with one another what we know and what we—what the

Americans know when it comes to this topic. And without my sharing with you right now all of the details, of course, despite the natural curiosity, which I appreciate, I believe that what has just been said now by the President of the United States is particularly important. The President of the largest power in the world, the most important power in the world, is standing right here, and he has said in no uncertain terms that Iran was a threat and remains a threat.

And the fact that it has certain technological capacities is a fact. And through this, it is capable of realizing that potential and creating nuclear weapons. And considering the nature of the Government there and the type of threats that they are voicing, one cannot possibly disregard that power, and we must do everything possible to thwart them.

Of course, the United States will decide for itself just what steps to take. I can only say one thing, namely, my impression based on this conversation as well as previous talks that we had—and we talk quite frequently, apart from the face-to-face meetings—my impression is that we have here a leader who is exceptionally determined, exceptionally loyal to the principles in which he believes. He has proven this throughout his term in office in his preparedness to take exceptional measures in order to defend the principles in which he believes and in his deep commitment to the security of the State of Israel.

Inasmuch as I could sum up all of these impressions this evening, I would say that I certainly am encouraged and reinforced having heard the position of the United States under the leadership of George Bush, particularly on this subject.

*White House Press Secretary Dana Perino.* Anne Gearan of the Associated Press, please.

#### *Middle East Peace Process*

Q. Mr. President, are you disappointed that the Israelis and the Palestinians haven't

made more specific progress since Annapolis? And is it maybe time for you to apply some of that direct pressure you referred to earlier?

And for the Prime Minister, did you offer any new assurances to the President—or do you plan to—that Israel will stop disputed settlement and construction activity?

*President Bush.* Step one of any complicated process that is going to require a lot of hard work and serious dialogue is whether the mindset is right. It's one thing for somebody to say to the President, sure, we're for a two state, just to make the President feel okay. That's not the case here. The fundamental questions that I was seeking at Annapolis and on my return trip is the understanding about the power of what a vision will do for peace.

You know, one of the concerns I had was that, whether it be the unprovoked rocket attacks or the issues of settlement, that the leaders would be so bogged down in the moment that they would lose sight of the potential for a historic agreement. And I've come away with the belief that while those issues are important and certainly create consternation amongst the respective constituencies, that both leaders are determined to make the hard choices necessary.

Now, implicit in your question is whether or not the President should butt in and actually dictate the end result of the agreement. In my judgment, that would cause there to be a nonlasting agreement. In my judgment, the only way for there to be a vision that means something is for the parties to seriously negotiate that vision. If you're asking me, am I nudging them forward, well, my trip was a pretty significant nudge, because yesterday they had a meeting.

And by the way, the atmosphere in America was, nothing is going to happen, see; that these issues are too big on the ground. Therefore, you two can't get together and come up with any agreements.

You just heard the man talk about their desire to deal with core issues, which, I guess for the uneducated on the issue, that means dealing with the issues like territory and right of return and Jerusalem. Those are tough issues—the issue of Israeli security. And they're going to sit down at the table and discuss those issues in seriousness.

And I've been briefed today from the Israeli perspective of those discussions. Tomorrow I'll be briefed by the Palestinians about their interpretation.

Now, there's three tracks going on, by the way, during this process. One is the vision track. Let me just make sure everybody understands—in our delegation—the goal. The goal is for there to be a clear vision of what a state would look like so that, for example, reasonable Palestinian leadership can say, here's your choice: You can have the vision of Hamas, which is dangerous and will lead to war and violence, or you can have the vision of a state, which should be hopeful.

The second track is to help both parties deal with roadmap issues. Settlements is a roadmap issue; security is a roadmap issue, in a certain limited sense. Third issue is to help the Palestinians, one, organize their security forces so that they can better assure their own people and, equally importantly, better assure Israel that they can deal with the extremists in their midst. That's what General Dayton is doing here, for example. Or an economic track—listen, the best way to make sure that the Palestinians realize there's a hopeful future in which it's in their interests to live at peace with Israel is for them to realize that they've got an economy in which they can make a living. And Tony Blair is helpful on that, and so is America.

And so you're watching three tracks parallel each other. And the one, of course, you're asking about is whether or not the leadership has got the willingness and the

desire and the drive to design a state, compatible to both sides. And my answer is, yes, I think they will.

*Prime Minister Olmert.* I hope that I don't disappoint anyone—certainly not the President, because we talked at length—if I will say that the President didn't ask for me to make any commitments other than the ones that Israel made already with regard to the peace process and as I have spelled it out on many different occasions, including in Annapolis, which was a very, as I said, a very important event. The commitment of Israel is absolutely to carry on in this process in order to realize the vision of two states living side by side, as I said before.

Now, there are many issues. Settlement is one of the issues. We made clear our position. And I know that sometimes not everyone is happy with this position, but we are very sincere. And we were never trying to conceal any of these facts from anyone, starting with President Bush and Secretary Rice and, of course, our Palestinian partners.

They know that there is a moratorium on new settlements and the new expropriation of land in the Territories. But they also know, and we have made it clear, that Jerusalem, as far as we are concerned, is not in the same status. And they know that the population centers are not in the same status. And there might be things that will happen in the population centers or in Jerusalem which they may not be in love with, but we will discuss them, and we will not hide them. We are not going to build any new settlements or expropriate land in the Territories. We made it clear, and we will stand by our commitments. And we will fulfill all our commitments as part of the roadmap because this is an essential part for any progress that will have to take place in the future.

But there are some aspects only just realized which one can't ignore, and everyone knows that certain things in Jerusalem are not in the same tactical level as they are

in other parts of the Territories which are outside the city of Jerusalem. And so it's true about some population centers. So there was nothing that happened that was not known in advance to all our partners in this process. We made clear our positions. We made clear exactly what we can do, what we can't do, what we want to do, and what we will not be able to do. And I think that they all know it, and they—at least even when sometimes they disagree with us, they at least respect our sincerity and openness about these issues.

#### *Obligations of Middle East Peace Process Participants*

*Q.* Mr. President, regarding the issues of rockets and settlements that you mentioned before, what should—what could Israel do regarding the ever-growing threat from Gaza? And regarding the settlements, did you get any new assurances from the Prime Minister regarding the removal of illegal outposts? Do you believe that this time it will be implemented? Do you care about it?

*President Bush.* Yes.

[*The reporter asked a question in Hebrew, which was translated by an interpreter as follows.*]

*Q.* Mr. Prime Minister, are you concerned that the core issues are going to be affected? Because as soon as Mr.—Member of Knesset, Mr. Lieberman, is going to withdraw from the coalition.

*President Bush.* As to the rockets, my first question is going to be to President Abbas: What do you intend to do about them? Because ultimately, in order for there to be the existence of a state, there has to be a firm commitment by a Palestinian Government to deal with extremists and terrorists who might be willing to use Palestinian Territory as a launching pad into Israel. So I'll be asking that question tomorrow. And what can we do to help you?

I believe that he knows it's not in his interests to have people launching rockets from a part of the Territory into Israel. A matter of fact, maybe the Prime Minister can comment on this in a while, in a second, but at least he's told me that he fully recognizes, in order for there to be a state, he cannot be a safe haven for terrorists that want to destroy Israel. You can't expect the Israelis—and I certainly don't—to accept a state on their border which would become a launching pad for terrorist activities. And that's why the vision of a democracy is an important vision.

How Israel deals with the rocket attacks, I would hope is done in a way that not only protects herself but worries about innocent life. And I'm convinced the Prime Minister does. He understands he has an obligation to protect Israel. He also understands that he's got to be circumspect and reasonable about how he does it so that innocent people don't suffer. He just gave you the answer on the settlements.

In terms of outposts, yes, they ought to go. Look, I mean, we've been talking about it for 4 years. The agreement was, get rid of outposts, illegal outposts, and they ought to go. And—

*[Prime Minister Olmert spoke in Hebrew, and his remarks were translated by an interpreter as follows.]*

*Prime Minister Olmert. [Inaudible]*—earlier, and I say once again—I think it's important to repeat this—Israel has commitments, and the Palestinians have commitments. We must abide by our commitments, and we shall do so. I do not want to use this as an excuse, as a pretext, and therefore, I say, we demand of the Palestinians that they uphold all of their commitments.

And some have not been upheld, not a single one, particularly the most important things that have to do with terrorism, that have to do with the security of the State of Israel—not only in Gaza. The fact that we, over the past year, have had fewer

casualties from terrorism than in any year of the recent years previously is not because the Palestinians have made fewer attempts, but because we have been more successful, in a very sophisticated and courageous way, of our general security service and our IDF in preventing these terrorist acts.

I'm not using this as a pretext. I'm saying, we must uphold our commitment. I believe that the President has said this fairly and appropriately. We have made commitments; we should uphold them; and we shall. But let us present a balanced picture. By the same token, we will not refrain from demanding and insisting that the Palestinians abide by all of their commitments. And their commitments when it comes to terrorism are the central key, the pivot to bringing this negotiation process to a successful conclusion. And I hope it will happen this year, as all of us hope.

I very much sincerely hope that all of those in the coalition will remain in the coalition as full partners, and I would certainly not like to have a political crisis. I don't think that anyone who is responsible—has a responsibility such as I have would like to see any kind of an undermining of the stability of this Government. It is a stable Government, a Government that has been operating in many different directions, with very impressive achievements, which the party of Avigdor Lieberman, Yisrael Beiteinu, is part of this effort, part of these achievements; whether it's in the economic field or the political one or in—when it comes to security or the deterrence ability of the State of Israel.

And everyone knows that this Government has had some very impressive achievements on its record over the past year. And Lieberman's party was certainly a partner in this process, and I'd like them to stay part of the process. I think that the gap between us is smaller than it appears, and I will do everything within my power to ensure that the coalition remains stable. The State of Israel must be part

of a serious peace process. We cannot forego this; we cannot obscure it; we must not delay it. It would be wrong to delay it.

Let me say something in Hebrew—since I know that the President does not speak Hebrew, I'll say it in Hebrew because, after all, you know, you're not supposed to praise people in their presence, so I'll say it in Hebrew. Well, then, what I'd like to say is, thank God I can conduct political negotiations with George Bush at my side as one of my partners. Thank God we can conduct political negotiations when the largest and most important power in the world, and the most important for us, is headed by such an important friend of Israel.

We have no interest in delaying matters. We don't want to procrastinate with the negotiations, lest changes for the worse take place on the Palestinian front. And we certainly don't want to delay the negotiation process when we have such political assistance, assistance in—with respect to our security too, when it comes to the most important power in the world, being led by a person who is so deeply committed to the security of the State of Israel and to realizing the vision of two states; a person who is fair, who does not hide his viewpoints, who speaks openly about his will to establish a Palestinian state alongside Israel, a state that will be secure not at the expense of the interests of the State of Israel.

I believe that any responsible political leader in the State of Israel will understand that this is a moment that must not be missed. This is an opportunity that must not be passed up. We must do everything we can. Okay, we can have occasional internal arguments. The President has said that some very difficult decisions must be made. He is right, but I am not afraid of difficult decisions. I am willing to contend with difficult decisions. I am willing to make decisions that will entail painful compromises, so long as they enable us to reach the goal that we have dreamt of for so long, to

secure ourselves—to ensure ourselves of security and to give the Palestinians the state of their own that will be vibrant, democratic, open, and living in peace alongside Israel.

At the head of our negotiating team is the Deputy Prime Minister and Foreign Minister. She bears a very heavy responsibility. We work in full cooperation, and I am convinced that she will wisely succeed, together with Abu Ala, head of the Palestinian team, in navigating through these negotiations in such a manner that the vital interests of the State of Israel are served well on the basis of a deep understanding.

*President Bush.* The interpreter got it right. [*Laughter*] Thank you.

*Prime Minister Olmert.* Thank you, Mr. President.

*President Bush.* Yes, Toby [Tabassum Zakaria, Reuters].

#### *Strait of Hormuz Naval Incident*

*Q.* Mr. President, what is the United States prepared—what action is the United States prepared to take if there is another confrontation with Iranian ships in the Strait of Hormuz? Your National Security Adviser this morning spoke about consequences if there was a repeat.

And, Mr. Prime Minister, why is there no three-way meeting scheduled on this trip?

*President Bush.* The National Security Adviser was making it abundantly clear that all options are on the table to protect our assets.

She's referring to, Mr. Prime Minister, the fact that our ships were moving along very peacefully off the Iranian border in territorial water—international waters, and Iranian boats came out and were very provocative. And it was a dangerous gesture on their part. We have made it clear publicly, and they know our position, and that is, there will be serious consequences if they attack our ships, pure and simple. And my advice to them is, don't do it.

*United States-Israel-Palestinian Authority Meeting*

Q. Why is there no three-way meeting on this trip?

*Prime Minister Olmert.* We had a three-way meeting in the United States just a month ago. We are starting now a serious process directly with the Palestinians. The President met with the Israeli delegation and with me today. He will meet tomorrow with the—with President Mahmoud Abbas, and I'm sure that all the necessary information will be provided and all the curiosity of the President will be satisfied. And ideally, this is a very good and comfortable—*[inaudible]*.

I don't rule out, by the way, trilateral meetings. Maybe in the future we'll have trilateral meetings. We are not against it. We just found out at this time in life, considering what we have achieved already and what we are about to start now in a serious manner, that it was not essential in order to fulfill the desires that we all share, which is to move forward on this process between us and the Palestinians.

I can reassure you, and perhaps through you, many of your people in America, that we think, and I'm sure that the Palestinians think, that the visit of the President is very, very helpful to the process that we are engaged in and that it contributes—and it will contribute a lot to the stability and the very comfortable environment within which we will conduct our negotiations.

And therefore, I again want to take this opportunity, Mr. President—now you don't even get—*[laughter]*—to thank you very much, really, to thank you for your friendship and your support and the courage that you inspire in all of us to carry on with our obligations. It's not easy. You know, sometimes it's not easy, but when I look at you—and I know what you have to take upon your shoulders and how you do it, the manner in which you do it, the courage that you have, the determination that you have, and your loyalty to the principles that you believe in—it makes all of us feel that we can also—in trying to match you, which we can—we can move forward. Thank you very much.

*President Bush.* Thank you, sir.

NOTE: The President's news conference began at 6:36 p.m. at the Prime Minister's residence. In his remarks, he referred to President Mahmoud Abbas of the Palestinian Authority; Lt. Gen. Keith W. Dayton, USA, U.S. Security Coordinator to Israel and the Palestinian Authority; and former Prime Minister Tony Blair of the United Kingdom, Quartet Representative in the Middle East. Prime Minister Olmert referred to Knesset Member and Yisrael Beiteinu Party leader Avigdor Lieberman and Deputy Prime Minister and Minister of Foreign Affairs Tzipora "Tzipi" Livni of Israel; and former Prime Minister Ahmed Qurei (Abu Ala) of the Palestinian Authority.

The President's News Conference With President Mahmoud Abbas of the Palestinian Authority in Ramallah, Palestinian Territories  
*January 10, 2008*

*President Abbas.* Your Excellency, President George Bush, President of the United States of America, I welcome you in Ramallah, as well as in Bethlehem, on the land of Palestine, that welcomes you today

as a great guest, that goes with him—commitment towards the peace process. It's a historic visit that gives our people great hope in the fact that your great nation is standing and supporting their dream and