

anniversary as one of the world's great democracies, a secure and flourishing homeland for the Jewish people.

From Cairo, Riyadh, Baghdad to Beirut, people will live in free and independent societies, where a desire for peace is reinforced by ties of diplomacy and tourism and trade. Iran and Syria will be peaceful nations, where today's oppression is a distant memory and people are free to speak their minds and develop their talents. Al Qaida, Hizballah, and Hamas will be defeated, as Muslims across the region recognize the emptiness of the terrorists' vision and the injustice of their cause.

This vision is the same one I outlined in my address to the Israeli Knesset. Yet it's not a Jewish vision or a Muslim vision, not an American vision or an Arab vision. It is a universal vision based on the timeless principles of dignity and tolerance and justice, and it unites all who yearn for freedom and peace in this ancient land.

Realizing this vision will not be easy. It will take time and sacrifice and resolve. Yet there is no doubt in my mind that you are up to the challenge, and with your ingenuity and your enterprise and your courage, this historic vision for the Middle East will be realized.

May God be with you on this journey, and the United States of America will be at your side.

Thank you for having me.

NOTE: The President spoke at 3 p.m. at the Maritim Sharm El Sheikh International Congress Center. In his remarks, he referred to Klaus Schwab, founder and executive chairman, World Economic Forum; President Mohamed Hosni Mubarak of Egypt and his wife Suzanne Thabet; Huda Janahi, managing director, Global Cargo & Traveller's Services; and Usama bin Laden, leader of the Al Qaida terrorist organization.

Interview With Richard Engel of NBC News in Sharm el-Sheikh May 18, 2008

Mr. Engel. Mr. President, thank you very much for joining me.

The President. Richard. Thank you, sir.

President's Remarks at the Knesset in Jerusalem, Israel

Mr. Engel. In front of the Israeli parliament, the Knesset, you said that negotiating with Iran is pointless. And then you went further, you saying—you said that it was appeasement. Were you referring to Senator Barack Obama? He certainly thought you were.

The President. You know, my policies haven't changed, but evidently the political calendar has. People need to read the speech. You didn't get it exactly right ei-

ther. What I said was, is that we need to take the words of people seriously. And when, you know, a leader of Iran says that they want to destroy Israel, you got to take those words seriously. And if you don't take them seriously, then it harkens back to a day when we didn't take other words seriously.

It was fitting that I talked about not taking the words of Adolph Hitler seriously on the floor of the Knesset. But I also talked about the need to defend Israel, the need to not negotiate with the likes of Al Qaida and Hizballah and Hamas, and the need to make sure Iran doesn't get a nuclear weapon. It was a—but I also talked about a vision of what's possible in the Middle East.

Iran

Mr. Engel. Repeatedly, you've talked about Iran and that you don't want to see Iran develop a nuclear weapon.

The President. Yes.

Mr. Engel. How far away do you think Iran is from developing a nuclear capability?

The President. You know, Richard, I don't want to speculate, and there's a lot of speculation. But one thing is for certain: We need to prevent them from learning how to enrich uranium. And I have made it clear to the Iranians that there is a seat at the table for them if they would verifiably suspend their enrichment. And if not, we'll continue to rally the world to isolate them.

U.S. Foreign Policy/Iran

Mr. Engel. You've been rallying the world. Have you had some success on this Arab tour to try and—and Israeli tour—to mobilize this community against Iran? Is that part of your mission?

The President. No, it's not so much; actually, the place where I'm spending time, in terms of dealing with serious economic isolation, is with our European friends. They're the ones who have had significant trade with the Iranians. We're dealing with it not only in goods and services, trying to convince them to hold back goods and services until there's a verifiable suspension, but also dealing with the Iranian finances.

I don't have to spend too much time in the world—in this part of the world creating concerns about Iran. There is big concern about Iran, given the fact that Hizballah is destabilizing Lebanon, Hamas is trying to prevent the creation of a Palestinian state, and, of course, Iranian action inside of Iraq.

Iraq/Iran

Mr. Engel. A lot of Iran's empowerment is a result of the war in Iraq. How do you feel—

The President. Yes.

Mr. Engel. —that Iran is—its position in the world is rising because of your actions in Iraq?

The President. See, I'm not so sure I agree with that. That's a premise I don't necessarily agree with. As a matter of fact, I think Iran is troubled by the fact that a young democracy is growing in Iraq. I—you know, this notion about somehow if Saddam Hussein were in power, everything would be fine in the Middle East is a ludicrous notion. Saddam Hussein was a sponsor of terror. And can you imagine what it'd be like to see an arms race between Saddam Hussein and Ahmadi-nejad, in terms of creating instability in the Middle East? As a matter of fact, the way to ultimately defeat those who use terror to destabilize young democracies is to help the young democracies succeed.

Progress in Iraq

Mr. Engel. I've watched Iran's influence grow in Iraq. It's been very steady over the years. What are you going to do to try and counteract—

The President. Yes.

Mr. Engel. —Iran's influence?

The President. Well, Basra, for example, is—we stood by the Prime Minister's decision to move into Basra and to—continue to encourage the Prime Minister to go after Shi'a criminals and Shi'a armed militias that are doing harm to the average Iraqi and, at the same time, encourage him to use some of the Iraqi wealth to improve conditions of life. And that's what's happening. Basra is—it's still obviously got work to be done, but it was a successful operation, as you know better than me. He's now heading into Sadr City—he, the Iraqi Government—all aiming to protect innocent people from people who are operating outside the law. And to the extent that those are folks who are supported by Iran, it will serve as a defeat to Iran.

Iraq is changing. You know it better than anybody; you've been spending a lot of time there. And it's in the interest of the

United States that we help it continue to change to the better.

Freedom Agenda/Iran

Mr. Engel. You talked about Iran being a major threat to American policies in the region, with Hamas, Hizballah, militia groups in Iraq. Do you intend to finish your term in office with a military action of some kind against Iran?

The President. Richard, that's highly speculative. I've always made it clear that options are on the table. But, you know, the biggest weapon we have against those who can't stand freedom is the advance of freedom. I'm going to give a speech here in a minute that talks about the need to advance the freedom agenda in the Middle East.

And my—you know, Iran is a threat to people who want to live in peace. That's what they've clearly shown. I mean, the interesting thing in Lebanon is that Hizballah, which had sold itself as a protector against Israel, all of a sudden turned its weapons on the people of Lebanon and all the—the true colors. And sometimes in life there needs to be clarity in order for people to rally to solve a problem.

And so the best way to deal with the Iranians in the Middle East is to help the young democracy of Lebanon survive, is to stand up a Palestinian state—obviously, subject to the roadmap—which we intend to do before my Presidency, and succeed in Iraq.

Lebanon

Mr. Engel. How are you going to prevent Hizballah from taking over in Lebanon? They had a small coup. The army didn't do anything. And they proved that they are clearly in control of the streets when they want to be.

The President. Yes. Well, that's a problem. And obviously, one thing to do is to help strengthen the Lebanese Army, which I sent General Dempsey to Beirut—I don't know if he was there when you were there,

but he was there precisely to help inventory the Lebanese Army—is to make it clear to Prime Minister Siniora, we stand strongly with you. We'll see what happens out of this agreement and how—whether it sticks or not. But we strongly support the March 14th Coalition.

Perhaps one way to help deal with the situation is to get the U.N. tribunal up and running that's investigating the death of Mr. Hariri. But you know, no question, it's a tough situation. It's not as if Lebanon has been a stable situation forever either. I mean, this is—and yet the Lebanese people deserve a peaceful democracy, and our aim is to help them.

President's Remarks at the Knesset in Jerusalem

Mr. Engel. It sounded like, when you were addressing the Israeli Knesset, you gave a green light to Israel to take action against Hizballah and Hamas.

The President. I don't—Richard, you can read into it what you want to read into it. That certainly wasn't my intention. My intention was to say that all of us need to understand that radical groups are the threat to peace, whether it be Al Qaida or Hamas or Hizballah.

Iran

Mr. Engel. Negotiations with Iran—is that appeasement? Is that like—

The President. No.

Mr. Engel. —appeasing Adolph Hitler?

The President. My position, Richard, all along has been that if the Iranians verifiably suspend their enrichment, which will be a key measure to stop them from gaining the know-how to build a weapon, then we—they can come to the table, and the United States will be at the table. That's been a position of my administration for, gosh, I can't remember how many years, but it's a clear position. We've stated it over and over again.

But I've also said that if they choose not to do that—verifiably suspend—we will

continue to rally the world to isolate the Iranians. And it is having an effect inside their country. There's a better way forward for the Iranian people than to be isolated, and their leaders just need to make better choices.

U.S. Troop Levels in Iraq

Mr. Engel. In Iraq, I recently met a soldier. He was medevaced out on his first tour. He's now back on his second tour—was already medevaced to the green zone. How many more tours do these soldiers have to do? Is there an exit strategy for Iraq?

The President. Well, first of all, the fact that this person volunteered again speaks to the great bravery of our troops. And we need to honor them and will honor them. And one way to do so is to have more set tours: in for 12, out for 12.

The other thing is to take care of their families, and when they're veterans, take care of the vets. You know, the fact that you told me about a guy who got medevaced twice only says to me that we've got a courageous military.

In terms of success, we're returning troops on success. You might remember, I had to make a difficult choice to put more troops in. Those troops are coming home by July. And then, of course, General Petraeus and his successor will assess the situation on the ground, and we will end up having the troops necessary to help the Iraqis succeed.

U.S. Troop Levels in Iraq/Progress in Iraq

Mr. Engel. So it doesn't sound like there's an end anytime soon. It just sounds like we need to support them as much as we can and keep them there for as long as we can.

The President. I think the end, Richard, is, I told you, return on success. The more successful Iraq is, the fewer troops we'll need. And there's no question, Iraq is becoming successful. The security situation has changed; the political situation is a lot

better; the economic situation—unlike other parts of this world—are pretty strong. And now the question is, are they going to be able to get the resources in an efficient way to the people, so the people see the benefits of democracy? And they're doing a better job of that.

Progress in Iraq

Mr. Engel. You still view Iraq as a success. Because on the ground, it looks very bleak. People still want to leave the country, and people are—

The President. Well, that's interesting you said that. That's a little different from the surveys I've seen and a little different from the attitude of the actual Iraqis I've talked to, but you're entitled to your opinion.

Mr. Engel. The Iraqi Government, I think, has one position, which is that it's seeing a lot of progress. But Sadr City has been up in revolt. There's major battles in Mosul. I was just in a major firefight in Sadr City, hit by an EFP. It is still very much a war zone.

The President. Richard, no question, it's violent. But there's no question that the Iraqi Government are dealing with the violent people. It's like this attitude about Basra. I can remember, you know, a good reporter saying, "Basra is a disaster." I'm not suggesting you did, but people said, "It's a disaster." And lo and behold, it wasn't; it was successful.

What you're watching is an Iraqi Government take care of extremists in their midst so that a democracy can survive. And it's essential that this democracy survive for our own security as well as the stability of the Middle East.

Middle East Peace Process/Lebanon

Mr. Engel. You've talked about having an Israeli-Palestinian peace agreement by the end of this year.

The President. Right.

Mr. Engel. What gives you hope that that is not overly ambitious? Why do you think that's possible?

The President. Because, first of all, people in Israel understand that in order for them to have long-term security, there has to be a democratic state. People in Palestine want a democratic state. Now, there are people opposing that— Hamas, in particular—trying to create the violence and fear to stop the state from progressing.

Secondly, I know their leaders. I spent a lot of time with Prime Minister Olmert and President Abbas. They are dedicated to doing the hard work.

And thirdly, I've seen the progress being made on issues like—

Mr. Engel. What about Hamas? Hamas was elected—

The President. Excuse me for a minute, please—on issues like the border and refugees and security. And yes, Hamas was elected, and they've done a disaster in—of running Gaza. And there will be an interesting contrast between the vision of Hamas and their record and the vision of President Abbas and Prime Minister Fayyad and the Palestinian state. And it's that vision, the competing visions that will be put forth to the Palestinian people at some time.

And I believe a state will exist, and I know it's necessary for peace in the Middle East. And I think—I feel good that we can get it defined during my Presidency and implemented subject to roadmap.

Freedom Agenda/Al Qaida

Mr. Engel. Going back to your vision and the message you've been pushing about democracy and supporting moderates across the region, if you look back over the last several years, the Middle East that you'll be handing over to the next President has—is deeply problematic. You have Hamas in power, Hizballah empowered, taking to the streets, more—stronger than the Government, Iran empowered, Iraq still at war. What region—

The President. Richard.

Mr. Engel. —are you handing over?

The President. Richard, those folks were always around; they were here. What we're handing over is a Middle East that, one, recognizes the problems—and the world recognizes them. There's clarity as to what the problems are. To say all of a sudden that Hamas showed up is just not factual. They have been around, and they have been dangerous. Hizballah has been around, and they are dangerous. They have been—that's why we put them on the terrorist list before my Presidency.

And what you're beginning to see is new democracies. You'll see a Palestinian state. You'll see a—Iraq emerging. And it doesn't happen overnight. The freedom movement is not a instant. The freedom movement is a challenge to a system that said, the status quo is acceptable, when underneath was brewing all kinds of resentments.

We've taken on Al Qaida in the Middle East. It was from here that they recruited people to launch attacks. And while they're still existing, they've been hurt. And they're going to be hurt even more as liberty advances and freedom advances.

Al Qaida/Iran

Mr. Engel. Do you believe that Iran is now more of a threat in Iraq than Al Qaida?

The President. You know, that's an interesting question. I believe—yes, I bet—I think they've both been seriously hurt in Iraq. And you know, Al Qaida thought they were going to have a stronghold in Anbar Province. They proudly proclaimed this was going to be their capital from which they were going to launch missions around the world and throughout the region, and they failed.

And in Iran [Iraq],* Shi'a groups funded by Iran have tried to take on the Government. And the Government is succeeding, and it's—but it's going to take a while.

* White House correction.

War on Terror/Freedom Agenda

Mr. Engel. The war on terrorism has been the centerpiece of your Presidency. Many people say that it has not made the world safer, that it has created more radicals, that there are more people in this part of the world who want to attack the United States.

The President. Yes. That theory says, by confronting the people that killed us, therefore, there's going to be more; therefore, we shouldn't confront them.

Mr. Engel. Or creating more people who want to kill us, one could also say.

The President. Well, you can say that, but the truth of the matter is, there's fewer Al Qaida leaders; the people are on the run; they're having more trouble recruiting in the Middle East. Saudi Arabia, our partner, has gone after Al Qaida. People now see Al Qaida for what it is, which is a group of extremists and radicals who preach nothing but hate. And no, I just—it's just the beehive theory. We should have just let the beehive sit there and hope the bees don't come out of the hive.

My attitude is, the United States must stay on the offense against Al Qaida—two ways. One from—

Mr. Engel. But haven't you just smashed the bees—

The President. —two ways—

Mr. Engel. —in the hive and let them spread?

The President. Excuse me for a minute, Richard, two ways: One, find them and bring them to justice—what we're doing; and two, offer freedom as an alternative to their vision. And somehow to suggest that bees would stay in the hive is naive. They didn't stay in the hive when they came and killed 3,000 of our citizens.

Mr. Engel. Thank you very much for your time, Mr. President.

The President. Yes, sir. Yes.

Mr. Engel. Thank you.

NOTE: The interview was taped at 2:02 p.m. at the Hyatt Regency Sharm El Sheikh for later broadcast. In his remarks, the President referred to President Mahmud Ahmadi-nejad of Iran; Prime Minister Nuri al-Maliki of Iraq; Lt. Gen. Martin E. Dempsey, USA, acting commander, U.S. Central Command; Prime Minister Fuad Siniora of Lebanon; Gen. David H. Petraeus, USA, commanding general, Multi-National Force—Iraq; Prime Minister Ehud Olmert of Israel; and President Mahmoud Abbas and Prime Minister Salam Fayyad of the Palestinian Authority. The transcript was released by the Office of the Press Secretary on May 19.

Remarks Following a Meeting With Secretary of the Treasury Henry M. Paulson, Jr.

May 19, 2008

Secretary Paulson, thanks for coming. And I just got back from the Middle East, and the Secretary came over to talk about the economy and how he sees it. And we're working through tough times, and I appreciate the leadership you're providing.

He did assure me that the refund checks are heading out; people are getting that money. And that's good. It should help our economy and, more importantly, help people

pay their bills. And we hope people use that money and take care of their families and shop.

I also asked him how he was doing in helping people stay in their homes. We spent time talking about the housing industry. And one of the really impressive programs has been the HOPE NOW program. Secretary Paulson has taken the lead in—to help people refinance and help people