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For Immediate Release  
Office of the Press Secretary  
April 30, 2007

## President Bush Meets with EU Leaders, Chancellor Merkel of the Federal Republic of Germany and President Barroso of the European Council and President of the European Commission

Rose Garden

[2007 U.S.-EU Summit](#)

1:18 P.M. EDT

PRESIDENT BUSH: Thank you all, please be seated. Welcome to the Rose Garden. I want to welcome Angela Merkel and José Barroso here. Thank you all for your friendship, thank you for what has been a serious set of discussions.

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I told the Chancellor and the President that the EU-U.S. relations are very important to our country, that not only is it important for us to strategize how to promote prosperity and peace, but it's important for us to achieve concrete results. And we have done so. I thank the Chancellor and José very much for the trans-Atlantic economic integration plan that the three of us signed today. It is a statement of the importance of trade. It is a commitment to eliminating barriers to trade. It is a recognition that the closer that the United States and the EU become, the better off our people become. So this is a substantial agreement and I appreciate it.

We also talked about Doha. And I thank Peter Mandelson and Susan Schwab for briefing us. The first thing I told the group in the Cabinet Room was that I am firmly dedicated to a successful Doha round. I believe it's in this country's interests that we reject isolationism and protectionism and encourage free trade. I'm under no illusions as to how hard it will be to achieve the objective, but the first thing is there must be a firm commitment by the leadership to get a deal.



Secondly, I reminded the people that this country is dedicated to working to eliminate poverty and disease, and the best way to help the developing world is through a successful Doha round. We told our trade ministers work hard, work often, work constructively, and I believe we can be successful. We're committed to reducing our agricultural subsidies in order to advance the process. We expect others to follow suit and market access.

Anyway, I am optimistic we can achieve the objective and today's meetings gave us a chance to discuss a way forward.

We talked about the visa waiver program. We talked about Iran and the need for our nations to continue to work closely together to send a unified message to the Iranians that their development of a nuclear weapon is unacceptable to peace.

We talked about Darfur. We talked about Afghanistan and Iraq. And I appreciate very much the EU support of the international compact that will be meeting on Iraq here in Sharm el-Sheikh. We talked about Cuba and the importance for Cuba to be a free society, a society that respects human rights and human dignity, a society that honors the rule of law.

We also talked about climate, and here we share a common interest: One, we recognize that we have a problem with greenhouse gases; two, we recognize we have a problem with a dependence on oil; three, we recognize that

we can use technologies to help solve this problem; and, four, we recognize we have an obligation to work together to promote the technologies necessary to solve the problem, and encourage the developing world to use those technologies.

And so I found the discussion refreshing and interesting, and I appreciate the candid conversations we had.

Madam Chancellor, welcome back here to the Rose Garden, and I'm looking forward to your comments.

CHANCELLOR MERKEL: (As translated.) Thank you, Mr. President, dear George. Thank you for the hospitality. Thank you for the hospitality you accorded to the European Union, and also for the fact that you made it possible to hold this summit meeting between the EU and the United States of America, which already has a very good and rich tradition.



It was a very interesting debate and one that was actually -- we were talking about a lot of issues -- about transatlantic economic integration, obviously first and foremost. And let me thank you very warmly for the fact that we've been able to enjoy such substantial progress in such a relatively short time. That was only possible because the American administration -- but in particular, you, Mr. President -- were behind, full-square behind this project, and because we not only agreed on general frameworks, but on very concrete projects.

And I think that's exactly what the people in our country expect from us, all the representatives of our respective business communities. They ask us what can we do in order to really pool our resources and make sure that we work on one and the same level playing field as regards, for example, our shared values. So I am confident that what with the Economic Council that we have set up, we will be able to make progress on very concrete projects, for example, mutual recognition of standards and other areas. It is, as I see it, a significant step forward.

I would also like to thank you for the progress we've been able to make on climate and energy issues. There is a common basis. We are aware of the fact that we do have a problem here, that we need to solve this problem. There are different approaches, obviously, as to how to solve that.

But we have been able, actually, to find a lot of common ground. And one of the issues we talked about, for example, was a commitment of the United States of America to introduce 20 percent biofuels over the next few years to come, until 2020, and to have this at their disposal. And for that, too, we need to develop a common market, common standards which, as I see it, has been, again, giving a more -- a very important impetus to that particular industry and that technology.

Now, on climate, we will also need to work on this in view of the upcoming G8 summit where we will make it clear, as European Union, as United States of America, that we don't want to isolate ourselves or shut ourselves off against the rest of the world, but where we want to enlist the support of others, invite them to join us.

And I also note that the trade talks have been taking place here on the margins of this meeting. They also, obviously, will then have to take place in a more wider group, the multilateral group. Let me just tell you, this agreement between the European Union and the U.S. is not in any way against free trade. No, not at all. And what we need to do here is really to look at the larger picture, and I feel it's good that the President is committed to make a step forward also on reducing non-tariff barriers to trade. All of the partners will have to be in on this, but we will do our bit to make this true.



I don't want to go through the whole agenda of international issues. And let me just tell you, it was an open and candid discussion that clearly showed us that we need to work together, that diplomacy can only be successful if we stand together, be this on the Middle East, on other issues.

And let me tell you that we have been talking at greater length also about the situation in Darfur, which we consider to be totally unacceptable, and that we need to do everything we can in order to help the people there on the ground who suffer immensely because we have not made progress so far, and that we ought to use all of our possibilities in order to achieve progress also in the United Nations.

Thank you yet again for your hospitality, for the commitment that I think the number of documents that we have been able to agree on here today show it's a good day for EU-U.S. relations.

PRESIDENT BARROSO: The exchange, the one we had today, covering the whole range of European Union-United States relations, and also some international issues. President Bush and Chancellor Merkel already mentioned the basic points, so let me just underline one or two that I believe are specifically important, namely in terms of economic relations and also on climate.

On economic relations, we signed very important framework for advancing transatlantic European integration. This was already welcomed by the business community on both sides of Atlantic. Our economic relation is by far the most important in the world. Transatlantic trade in goods and service totals over 1.7 billion a day. But we can work together more to make that relation even easier. And I believe there is some untapped potential, namely if we can achieve more regulatory cooperation, in some cases regulatory convergence, put down some barriers to trade and investment on both sides, and to fight, of course, protectionism and isolationism that sometimes happens on both sides of Atlantic, as well.

So this is, indeed, a very important agreement, and an agreement that also brings with it a transatlantic economic council to be a permanent body, with senior people on both sides of Atlantic as we look at all those issues in a concrete manner, in which way we can make it move forward.

On the European Union side, I decided to appoint Vice President of the Commission Gunter Verheugen as our leading personality in that council.

Another important point linked with this, to be signed later this afternoon, is the Air Transport Agreement. It is a very important first-stage agreement on air transport, but it also brings with it the same idea of putting, in an easier footing, the relations, economic relations, people's relations between the United States of America and the European Union. And I think it's also very important, is by far the most important, in terms of air traffic liberalization since the convention of Chicago so many years ago.

But trade, we also welcomed very strong statement that President Bush made during our meeting just now. We are very committed to successful conclusion to Doha round. We believe we can do it. We should do it. It would be good for trade, for the economy globally, but also for developing world, and also for having all the main players in a true multilateral system for trade. So we are going to make efforts to get that done.

Regarding climate, I really welcome the fact that there was progress in this meeting. We agree there is a threat, there is a very serious and global threat. We agree that there is a need to reduce emissions. We agree that we should work together. That's why I decided to have a forum where we are going to address many of these issues, namely technology and other issues that are important to fight climate change. And let's be frank, without the United States and Europe working together, we cannot engage others so that we can have a real global effort to face this very important threat to our economy, but also to our security.

So climate and energy security are important in the agenda. And I'm very happy with the progress that we have achieved in this meeting today.

Once again, President Bush, George, thank you very much for all the preparations and all the support you are giving, personally, to these very deep and strong relations.

PRESIDENT BUSH: Thank you, José. Two questions for the three of us, starting with Terry.

Q Mr. President, you're about to veto a bill that would force troop withdrawals from Iraq. How much of a voice are you willing to give Congress in the way that you conduct the war?

PRESIDENT BUSH: I am about to veto a bill that has got artificial timetables for withdrawal. That's not the only bad thing about the bill. It also imposes the judgment of people here in Washington on our military commanders and diplomats. It also adds domestic spending that's unrelated to the war. I have made my position very clear -- the Congress chose to ignore it, and so I'll veto the bill.

That's not to say that I'm not interested in their opinions. I am. I look forward to working with members of both parties to get a bill that doesn't set artificial timetables and doesn't micromanage, and gets the money to our troops. I believe there's a lot of Democrats that understand that we need to get the money to the troops as soon as possible. And so I'm optimistic we can get something done in a positive way.

Q Mr. President -

PRESIDENT BUSH: How could we ever forget your face? (Laughter.)

Q That's great, thank you very much. I remember yours, too. (Laughter.)

PRESIDENT BUSH: Thank you.

Q Mr. President, concerning the nuclear dispute about missile defense, missile defense with Moscow, what concrete steps are you planning to convince President Putin that this is a good idea of NATO and the U.S.? And can the German Chancellor help you on this issue?

PRESIDENT BUSH: As you know, I'm having a regular conversation with the German Chancellor. We have a secure video that is beamed in the White House and her office, and so we consult regularly. And she expressed her concerns that the U.S. position wasn't really clear about the missile defense systems and that there were some people concerned in Germany, as well as Europe, about our intentions. And she also suggested that it might make sense for me to share my intentions more clearly with President Putin. And I took her advice very seriously.

Our intention, of course, is to have a defense system that prevents rogue regimes from holding Western Europe, and/or America, to hostage. Evidently, the Russians view it differently. And so upon the advice of the Chancellor, I asked Secretary Gates to go to Moscow, where he had a very constructive meeting with President Putin. I called President Putin and asked him to see Secretary Gates, and that we would put forth an interesting information-sharing proposal.

Our intention is to say to Russia that the system is something you ought to think about participating in. It's in your interest to have a system that could prevent a future Iranian regime, for example, from launching a weapon -- it's in Russia's security interests. And therefore, we have started a dialogue, as a result of Secretary Gates's visit, that hopefully will make explicit our intentions, and hopefully present an opportunity to share with the Russians, so that they don't see us as an antagonistic force, but see us as a friendly force.

Q If I can ask the President of the Commission, first of all, on the trade agreement you've reached, presumably this is an agreement that's going to make wealthy countries richer, yet there's no progress to report on Doha to help the plight of poor countries. Aren't your priorities wrong?

And on a separate issue, your foreign policy chief has said that the U.S. should talk to Iran. I wondered whether you could tell us exactly what the U.S. should be talking to Iran about.

President Bush, because I have a question on that, your Secretary of State is going to a conference in Iraq where the Foreign Minister from Iran is going to be present. Do you expect her to have conversations with the Foreign Minister of Iran? What will she talk about? And if she does have a conversation, is there going to be a change of U.S. foreign policy? Thank you very much.

PRESIDENT BARROSO: Regarding the framework for advancing transatlantic-European integration, we said it very clearly, and it is clearly stated in the declaration, and also in all our conversations, that this is not detrimental to the global trade talks. On the contrary, you just heard President Bush, Chancellor Merkel and myself saying it clearly that completion of Doha round remains a priority for all of us.

But there are some artificial barriers to trade and investment -- it's more about investment than to trade, to be frank -- still between the United States and Europe. And through harmonization of standards, through a giant effort, for instance, to promote the enforcement of intellectual property rights, through some common approaches to investment, to capital markets integration, to common -- or at least commonly accepted rules for accounting -- we are trying to un-tap a lot of potential that exists in the United States-European Union relations.

This is not at all against global trade talks. On the contrary, we remain and, in fact, we are urging for a completion of the Doha trade talks, not only because they are about trade, but because they are about development. And today we had extensive conversations about it. And as President Bush has said, we've heard a complete briefing by Susan Schwab on the American side, and Peter Mandelson on the European Union side.

Regarding Iran, we also share the same views, basically, about how to deal with Iran. And it's not only the United States and Europe, I'll say -- there are several resolutions with the United Nations Security Council. And the Iranians should understand that this message they are receiving from the global community -- by the United States, by Europe, but from others; the Security Council adopted several resolutions. Proliferation, nuclear proliferation is, indeed a threat, not only to regional stability, but to the global peace and global stability. So I believe we are united in sending this very clear message here, but also in the United Nations, to the Iranian authorities.

**PRESIDENT BUSH:** Should the Foreign Minister of Iran bump into Condi Rice, Condi won't be rude. She's not a rude person. I'm sure she'll be polite.

But she'll also be firm in reminding this representative of the Iranian government that there's a better way forward for the Iranian people than isolation. My hopes, of course, is that the foreign minister would see the resolve of our government, through Condi, to continue to rally the world to convince the Iranians to give up their nuclear weapons ambitions. I happen to believe a significant threat to world peace, today and in the future, is the Iranian threat if they were to end up with a nuclear weapon -- "today" is the wrong word -- "in the future," they don't have a weapon today.

And so I -- if, in fact, there is a conversation, it will be one that says if the Iranian government wants to have a serious conversation with the United States and others, they ought to give up their enrichment program in a verifiable fashion. And we will sit down at the table with them, along with our European partners, and Russia, as well. That's what she'll tell them.

**CHANCELLOR MERKEL:** Allow me, if I may, one remark on the transatlantic economic partnership, and how that tallies with the Doha round. The Doha round actually is mainly about reducing tariffs. And the transatlantic economic partnership has to do more with standards that have nothing to do, actually, with tariffs.

What we are after is to see to it that we try for convergence on standards in many, many areas where we do not have mutual recognition of standards, or areas where we can actually harmonize those standards, and therefore, reduce costs by millions, for example, in drug testing, in crash tests for automobiles. And if we look at where the challenges lie, I am firmly convinced that both the United States and the European Union would be far more competitive, and need to be far more competitive, vis-à-vis the emerging countries.

So in this way, this will liberate money to put into new technologies, into developing techniques that can enable us to do that. And we're actually squandering money that could be put to better use. So the two are complementary, but they also serve strengthening competitiveness of both the European Union and the United States.

**Q** For all three of you, did you at any point today, either informally or not, have discussions about the fate of World Bank President Paul Wolfowitz? Should he resign, keep his job? And your reason for that, please.

**PRESIDENT BUSH:** The answer is, no, we didn't have a discussion. My position is, is that he ought to stay. He ought to be given a fair hearing. And I appreciate the fact that he has advanced -- he's helped the World Bank recognize that eradication of world poverty is an important priority for the bank.

**CHANCELLOR MERKEL:** Well, today, we did not address that issue, and my position is, and this is going to be relayed by a minister in the board -- in the individual bodies of the World Bank, and they have the respective commissions, as well, that this ought to be a very transparent, very candid conversation. This is, I think, where

this belongs, this particular issue.

Q (As translated.) A question addressed to you, Mr. President, and also to the Chancellor. You were speaking of progress that you have been able to achieve on climate. Are these true and genuine -- is this true and genuine progress if we still don't agree on the instruments to get there? The Europeans seem to be banking more on limiting CO2 emissions, sort of national limits that are imposed by governments. You seem to be more in favor of sort of a voluntary regime. But apparently we're sort of reaching the 11th hour.

PRESIDENT BUSH: Actually, that's not an accurate portrayal of my position. For example, take tailpipe emissions from automobiles. I have said we'll have a mandatory fuel standard, not a voluntary fuel standard, but a mandatory fuel standard that will reduce our uses of gasoline by 20 percent over a 10-year period of time. We believe that ethanol and biodiesel, the spread of ethanol and biodiesel are -- the goal of spreading ethanol and biodiesel is achievable, that's what we believe. And we're spending a lot of money to achieve that goal.

Now, the spread of ethanol in the United States is not going to be achievable if we rely only upon corn. There is a limit to the amount of ethanol we can produce with corn as a feedstock. So our research dollars are going to what they call cellulosic ethanol, and that means the ability to make ethanol from switchgrasses or wood chips. And we're spending a lot of money to that end.

And it is a mandatory approach. And the reason why I laid it out is because, one, I do believe we can be better stewards of the environment; and, two, I know it's in our national interest to become less dependent on foreign sources of oil. The fundamental question is, will America be able to develop the technology necessary for us to achieve the goal. I think we can. It's in our interest to share that technology, not only with our partners who are wealthy enough to spend money on research dollars, but also with the developing world.

Now you talk about helping alleviate poverty in the developing world -- wouldn't it be wonderful if the developing world could grow crops that would enable them to power their automobiles, so they wouldn't have to be dependent on foreign oil, either. And that's the message I took down to South America, with Lula, and to Central America. For example, sugar cane is the most -- you're learning about ethanol here, but sugar cane is the most efficient way to make ethanol. It turns out in Central America there is a lot of land and opportunity to continue to produce cane, which means that the Central American countries could be eventually net exporters of energy. So we've got a lot of common ground and a lot of area to work on.

As to how each country approaches it, that's an interesting question, and I think that each country needs to recognize that we must reduce our greenhouse gases and deal, obviously, with their own internal politics, to come up with an effective strategy that, hopefully, when added together, that it leads to a real reduction.

Finally, you've got to recognize that in order to make progress on greenhouse gases, we've got to make sure that the developing nations, which are significant emitters, are a part of the process. As I reminded the people around the conference table today, the United States could shut down our economy and emit no greenhouse gases, and all it would take is for China in about 18 months to produce as much as we had been producing to make up the difference about what we reduced our greenhouse gases to.

So this is a very important issue; it's got global consequences. The good news is, is that we recognize there's a problem. The good news is recognize technology is going to lead to solutions, and that we're willing to share those technologies. We all recognize we've got to deal with the developing world, particularly China and India.

CHANCELLOR MERKEL: I feel -- just look back a year ago. I feel that we would have had a lot more difficulty actually bringing about language that describes this problem adequately than we have to now. And it is thanks to the President and his team clearly mentioning what the problem is in this document -- it says, clearly, we need to do everything we can in order to work against these detrimental consequences. A lot is being done discussing this issue. For example, we need to discuss possible pricing of CO2, how can we translate this into a market economic compatible scheme.

And we are also agreed that we, as industrialized country, need to address this issue, need to develop the necessary technology. But we, alone, without the emerging countries, will not be able solve this problem. And this is why it's so important that this EU-U.S. result is translated into the G8, debated together with the outreach countries -- China and South Africa, Brazil, among others, and India -- because if we were not doing that, we

would not be able to combat this problem that is truly a global one.

But what is also true is that if the developed countries who have the best technology don't do anything, it will be even harder to convince the others. But without convincing the others, CO2 emissions worldwide will not go down. And I do think that we, together, need to define steps. We have done it. For example, we need a proper agenda for the Indonesian talks at the end of this year, that's an enormous step forward. And I think this is where we should be clear about the glass being half full, instead of half empty. So think again.

Q For Mr. Barroso, I would like to know how happy the European Union is, really, with the final document on climate change? Is it as ambitious as you were planning? Thank you.

PRESIDENT BARROSO: To be very frank, it's better than what I was planning. I think it was real progress. Of course, it's working in progress, but as President Bush said, we agree there is a global threat, it's a serious threat; we agree there is a need to establish a limit to greenhouse gases; we agree with many of the mechanisms, namely the market-based mechanisms, the technology cooperation. We have agreed to establish a high-level group, a forum, between the European Union and the American administration to look at those issues. And as Chancellor Merkel just said, we have to engage others. So now we can go to the G8 in Heiligendamm in June, in Germany, to discuss this issue also with others, that are very relevant for a global solution to a global problem.

So I really believe that there was progress, and very concrete progress. For instance, standards for biofuels; it's good. The idea to have a conference on renewables between the European Union and the United States, it will be next year here in Washington. And some concrete -- it's very detailed in our document, some concrete mechanisms, in terms of energy efficiency.

So I really believe that by linking those different files -- climate protection, energy security -- we can really achieve a very important goal of having sustainable development that is friendly to our environment. But I think it was very important progress, and we are working along the same lines. But it is, of course, still work in progress.

PRESIDENT BUSH: Thank you all very much. Madam Chancellor, thank you. Mr. President, thank you.

END 1:49 P.M. EDT

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