

Administration of Barack Obama, 2013

The President's News Conference With Chancellor Angela Merkel of Germany in Berlin, Germany

June 19, 2013

Chancellor Merkel. Well, hello, ladies and gentlemen. I would like to bid a very warm welcome to the President of the United States, Barack Obama. A very warm welcome, indeed, to Berlin. It's his first visit to Berlin as President of the United States, certainly not his first visit to Germany.

And we have had on numerous occasions the opportunity to talk. We have established ties of friendship based on trust. And I would like to thank you for this. Our cooperation is based on ties of friendship that have lasted for many, many decades between the Federal Republic of Germany and the United States. And this is such a very good relationship because it is based on shared values. If—when the President addresses the crowd in front of the Brandenburg Gate, he will be a President who can do this in front of a gate that is open. Other Presidents had to remind us all of the wall needed to be torn down, and the wall is down. And this is what we owe to our American partners and friends.

But we also see that the world is changing and, indeed, changing at a very rapid pace, so new challenges come to the fore. And we want to tackle them with resolve, and we want to tackle them together.

What looms most prominently on our agenda here in Germany, but also in Europe and, I trust, in the United States, and could be a very valued project to these two great economies of the world, the free trade agreement. I'm very glad that we were able to conclude the negotiations leading up to the mandate. We will throw our effort behind this fully and squarely because we think that economies on both sides of the Atlantic will very much benefit from that. It's going to be a win-win situation, and it also is an eloquent testimony to this globalized world, where we can work better together both politically and economically.

So this is why I think this is in a very, very important free trade agreement. And I say this on behalf of the Federal Government as a whole.

We talked about questions of the Internet in the context of PRISM. We talked at great length about the new possibilities and about, also, the new threats that the Internet looms—opens up to all of us. The Internet is new territory, uncharted territory to all of us. And it also enables our enemies. It enables enemies of a free, liberal order to use it, to abuse it, to bring a threat to all of us, to threaten our way of life. And this is why we value cooperation with the United States on questions of security.

I also outlined, however, that although we do see the need for gathering information, and there needs to be due diligence also as regards the proportionality. Free, liberal democracies live off people having a feeling of security. And this is why an equitable balance needs to be struck; there needs to be proportionality. And that is something that we agreed on: to have a free exchange of views on—between our staff, but also the staff of the Home Secretary in the States and also the Minister of Interior here in Germany. And this is going to be an ongoing dialogue.

We talked about a number of foreign policy issues. We are both of us engaged in Afghanistan. A new process has been initiated there of a transition of responsibility. This is a

process that we are going to tackle together, just as we tackled the greater military challenges of the past together, building up the security forces in Afghanistan together. We will stand together with the United States and solve outstanding problems that are very difficult, indeed, still.

We also addressed Iran. We addressed the Middle East situation as regards the peace process in the Middle East. I think that the initiative of Secretary Kerry offers a very good opportunity to revive—revitalize peace talks. The union—the region needs peace. The partners ought to take up the offer that is on the table, because it is urgently necessary to bring about negotiations. And we will continue also to work on Iran, on the nuclear program of Iran. That is also something that we're agreed on.

We had very good talks. We had, as usual, very open and candid talks. So, yet again, a very warm welcome to you, Mr. President.

President Obama. Well, thank you very much. *Guten Tag.* It is wonderful to be back in Berlin. I've always appreciated the warmth with which I've been greeted by the German people, and it's no different today, although I'm particularly impressed with the warmth of the weather here in Berlin.

And I'm also very grateful for Chancellor Merkel's invitation, 50 years after the visit of President Kennedy.

The Chancellor and I are just back from the G–8 summit, just one of the latest meetings that we've had together. During my time in the White House, I've had the privilege of working with Angela on a whole host of issues. Last time she was at the White House, I had the privilege of presenting her with the Medal of Freedom, our highest civilian honor that a President can bestow. And that speaks to the closeness of our relationship, the strength of our alliance.

I know that here in Germany, sometimes, there's been talk that the transatlantic alliance has been—is fading in importance, that the United States has turned its attention more towards Asia and the Pacific. And in both conversations with Chancellor Merkel and earlier with your President, I reminded them that from our perspective, the relationship with Europe remains the cornerstone of our freedom and our security, that Europe is our partner in almost everything that we do, and that although the nature of the challenges we face have changed, the strength of our relationships, the enduring bonds based on common values and common ideals very much remains.

We began today talking about economic issues, following up on the discussions that we had at the G–8 summit. Overall, Germany is our largest trading partner in the EU, so we've got a profound stake in each other's success. We agreed that there's more work to do. Not only do we have to grow, but we also have to reform our economies structurally.

And when you look within the—Europe, obviously, different countries are at different stages in that reform and restructuring process. We're going through our own need to reform, for example, our health care system, which is much more expensive than most of the developed world and largely accounts for our deficits and our debt. The good news is, though, that we have gone through the worst recession in years, and we are poised to come back stronger if we take advantage of these opportunities.

One of the opportunities that we spoke about obviously was the Transatlantic Trade and Investment Partnership, or T–TIP. The U.S.-EU relationship is already the largest in the

world, economically. Thirteen million Americans and Europeans have jobs that are directly supported by mutual trade and investment. And the Chancellor and I share the conviction that if we are successful in these negotiations, we can grow economies on both sides of the Atlantic, create jobs, improve efficiency, improve productivity and our competitiveness around the world. And by doing so, we're also raising standards for free trade around the world that will not just benefit us, but benefit everyone.

When it comes to our security, the United States and Germany are more than just NATO allies. More American personnel are stationed in Germany than any other country outside of the U.S. We are extraordinarily grateful for the hospitality of the German people. One of the last times I was in Germany, I had a chance to visit our facility where everyone who's injured in the battlefield comes through, and to see the dedication, but also the hospitality that Germans are providing for our young men and women when they've been grievously injured, I think, is a strong symbol of how much this means to us.

Our men and women have been serving side by side in Afghanistan. Germany is the third largest troop-contributing nation there. We're both grateful for the sacrifices that our service men and women and their families have made in this common effort. And because of those efforts, Afghanistan now has the opportunity to secure itself and determine its own destiny.

We welcome President Karzai's announcement yesterday that Afghan forces will soon take the lead for security across the country, which is an important milestone, one that we established in our NATO summit. Even as we wind down the war responsibly and NATO's combat mission in Afghanistan comes to an end, we're going to have to continue to invest in the shared capabilities and interoperability painstakingly built by the tremendous sacrifices of our troops. And I appreciate Germany's interest in making sure that even after our troops are no longer involved in combat operations that we can continue to see progress in Afghanistan.

And many of you noted that yesterday there was an announcement about the Taliban opening an office for purpose of negotiations in Qatar. I said yesterday this is going to be a difficult process. The parties there have been fighting for a very long time, even before 9/11, and we don't expect that it will be easy. But we do think ultimately we're going to need to see Afghans talking to Afghans about how they can move forward and end the cycle of violence there so that they can start actually building their country.

We also discussed the other challenges in the region, including Syria. We are united to see a negotiated political settlement to that conflict. We want to see a Syria that's unified, democratic, and at peace. Right now we need to see an end to the bloodshed, and we have to make sure that chemical weapons are not used on the ground. I thought we saw some progress at the G-8 in reaffirming the need for a transitional governing process and a U.N. investigation of the potential use of chemical weapons there.

I thanked the Chancellor in—for Germany's unwavering support of the search for peace between Israelis and Palestinians, and I briefed her on my Secretary of State John Kerry's efforts to find common ground there.

And finally, I want to thank Chancellor Merkel's, not only generous invitation, but also the humbling privilege that I'll have to address the people of Berlin from Pariser Platz on the eastern side of the Brandenburg Gate, the other side of the wall that once stood there, the wall that President Reagan insisted be torn down. A quarter century since then has been one of extraordinary progress. We can witness this in the incredible vibrancy and prosperity of Berlin. But one of the things I'll address today is the fact that, given the extraordinary blessings that we

enjoy as Americans and as Germans, we have an obligation to make sure that walls around the world are torn down. And we can only accomplish that together.

So I'm grateful for our alliance, I'm grateful for our friendship, and I'm looking forward, an opportunity to answer some questions.

Am I starting off? Or——

White House Press Secretary James F. "Jay" Carney. From the American press, Julie Pace of the Associated Press.

President Obama. Yes.

Afghanistan/National Security Agency's Electronic Surveillance Program

Q. I wanted to follow up on your comments about the Taliban talks. When you announced those talks yesterday, you praised Afghan President Hamid Karzai as being courageous for being willing to take that step.

President Obama. Right.

Q. Yet today Karzai says that he is suspending talks with the U.S. in response to the Taliban negotiations. How is it possible for you and President Karzai to be on such different pages about this key decision? And is Karzai saying different things to you privately than he is publicly today?

And, Chancellor Merkel, you mentioned that PRISM came up in your discussions today with President Obama. Are you more reassured now about the scope of those programs following the discussions? And did President Obama give you any reassurances that the programs don't violate German privacy rights? Thank you.

President Obama. We had extensive conversations with President Karzai both before and after the Taliban opened the office in Doha. As I think has been reported, there were some concerns about the manner in which the Taliban opened it, some of the language that they used.

We had anticipated that at the outset, there were going to be some areas of friction, to put it mildly, in getting this thing off the ground. That's not surprising. As I said, they've been fighting for a very long time. There's enormous mistrust. Not only have the Taliban and the Afghan Government been fighting for a long time, they're fighting as we speak. I mean, we're in the middle of a war. And Afghans are still being killed, and by the way, members of the international forces there are still being killed. And that's not abating as we speak.

But what we also believe is that alongside the process in which we are training, equipping a Afghan Government that can be responsible for its own security—even as we go through some frankly difficult negotiations around what it would mean for the international community to have an ongoing training and advising presence after 2014—we still believe that you've got to have a parallel track to at least look at the prospect of some sort of political reconciliation.

Whether that bears fruit, whether it actually happens, or whether, post-2014, there's going to continue to be fighting, as there was before ISAF forces got into Afghanistan, that's a question that only the Afghans can answer. But I think that President Karzai himself recognizes the need for political reconciliation. The challenge is, how do you get those things started while you're also at war? And my hope is, and expectation is, is that despite those challenges, the process will proceed.

Chancellor Merkel, if you don't mind, even though the question was directed at you, I think it would appropriate for me to go ahead and talk about the NSA issue, which obviously caused controversy back home, but also here in Europe. And then, obviously, Chancellor Merkel will have her own views on this.

What I explained to Chancellor Merkel is, is that I came into office committed to protecting the American people, but also committed to our values and our ideals. And one of our highest ideals is civil liberties and privacy. And I was a critic of the previous administration for those occasions in which I felt they had violated our values, and I came in with a healthy skepticism about how our various programs were structured. But what I have been able to do is examine and scrub how our intelligence services are operating, and I'm confident that at this point, we have struck the appropriate balance.

Now, let me be very specific in terms of—and this is what I described to Chancellor Merkel—what these programs are that have caused so much controversy.

Essentially, one program allows us to take a phone number that has been discovered separately from the—through some lead that is typical of what our intelligence services do, but we get a phone number. And what we try to discover is, has anybody else been called from that phone? And we have bulk data that allows us to just check on phone numbers and nothing else, no content; nobody is listening in on a conversation at that point. It's just determining whether or not if, for example, we found a phone number in Usama bin Laden's compound after the raid, had he called anybody in New York or Berlin or anyplace else.

If in fact we discover that another call has been made, at that point, in order to listen to any phone call, we would have to then go to a judge and seek information through a process that is court supervised. And this entire thing has been set up under the supervision of a Federal court judge.

When it comes to the Internet and e-mail, as Chancellor Merkel said, we're now in an Internet age, and we have to make sure that our administrative rules and our protections catch up with this new cyber world. What I can say to everybody in Germany and everybody around the world is this applies very narrowly to leads that we have obtained on issues related to terrorism or proliferation of weapons of mass destruction.

So there are a few narrow categories. We get very specific leads. And based on those leads, again, with court supervision and oversight, we are able then to access information.

This is not a situation in which we are rifling through the ordinary e-mails of German citizens or American citizens or French citizens or anybody else. This is not a situation where we simply go into the Internet and start searching any way that we want. This is a circumscribed, narrow system directed at us being able to protect our people. And all of it is done under the oversight of the courts.

And as a consequence, we've saved lives. We know of at least 50 threats that have been averted because of this information not just in the United States, but in some cases, threats here in Germany. So lives have been saved. And the encroachment on privacy has been strictly limited by a court-approved process to relate to these particular categories.

Having said all that, what I've said in the United States is what I shared with Chancellor Merkel, and that is that we do have to strike a balance and we do have to be cautious about how our governments are operating when it comes to intelligence. And so this is a debate that I welcome.

What we're going to be doing when I get back home is trying to find ways to declassify further some of these programs without completely compromising their effectiveness, sharing that information with the public, and also, our intelligence teams are directed to work very closely with our German intelligence counterparts so that they have clarity and assurance that they're not being abused.

But I think one of the things that separates us from some other governments is, is that we welcome these debates. That's what a democracy is about. And I'm confident that we can strike this right balance, keep our people safe, but also preserve our civil liberties even in this Internet age.

Chancellor Merkel. Well, for the German people, I can only say the following: It's important, it's necessary for us to debate these issues. People have concerns, precisely concerns that there may be some kind of blanket, across-the-board gathering of information. We talked about this. The questions that we have not yet perhaps satisfactorily addressed, we will do—address later on.

But there needs to be a balance. There needs to be proportionality obviously between upholding security and safety of our people and our country. And privacy lines, there are quite a lot of instances where we were getting very important information from the United States, for example, the so-called Sauerland group. And at the same time, obviously, people want to use those new, modern means of communication and technology and do so freely. And as we learn to live and deal responsibly with other new means of technology, we have to learn and deal responsible—responsibly with this one.

And I think today was an important first step in the right direction, and I think it has brought us forward.

Guantanamo Bay Detention Center/U.S. Counterterrorism Operations

Q. Madam Chancellor, Mr. President. First, a question addressed to you, Mr. President. There are—were a number of hopes in the world that were in a way shattered as regards your legislative term, for example, the closing down of Guantanamo or scrapping the death penalty throughout the whole of the United States, in all of the States. And now, as regards Asia and—are you singling out Germany because there's a big risk here? Or—

And, Madam Chancellor, the Nobel Prize winner, Obama is waging a drone war also via Germany. And is he allowed to do that, according to German law?

The President. Let me see if I understood your question properly. First question was related to policies back home, related to Guantanamo or the death penalty. And then you wanted to talk about drones, or did you just want to focus on the drone question? I just want to make sure that I'm responsive to your question.

Chancellor Merkel. I guess I ought to answer on the drones. And Guantanamo, that was a question, I believe, addressed to you.

President Obama. Okay. Well, it continues to be my policy that I want to close Guantanamo. It has been more difficult than I had hoped, in part because there's been significant resistance from Congress on this, and on some issues, I need congressional authorization.

But about a month ago I gave a speech in which I said that I would redouble my efforts to do so. Because 9/11 happened, and we now have been involved in one form or another in a war

for over a decade. One war, I think, in Afghanistan, was necessary. One war I disagreed with strongly. But in either case, there are dangers if we get on a perpetual war footing.

The threat of terrorism remains real, and we have to be vigilant, and we have to take steps to protect ourselves, consistent with our values and consistent with international law. But we also have to guard against being so driven by fear that we are not changing the fabric of our society in ways that we don't intend and do not want for the future. I think closing Guantanamo is an example of us getting out of that perpetual war mentality.

Some of the people at Guantanamo are dangerous. Some of them did bad things. But we cannot have a permanent outpost in which they're being held even as we're ending a war in Afghanistan that triggered some of these—the capture of some of these detainees in the first place.

So I'm confident that we can continue to make progress on this front, although, you're right, it has not been as fast as I would have liked. One of the things you discover as a politician is, is that people don't always do exactly what you want. It's shocking. And then you have to keep on working at it.

One thing with respect to drone policy: In that speech that I gave, I also addressed that issue of—that, the lethal targeting of identified terrorists. This also is a source of controversy. We have constrained it tightly. And as we defeat Al Qaida, we have to, I think, very carefully examine how these technologies are used. I can say, though, that we do not use Germany as a launching point for unmanned drones to go after counter—as part of our counterterrorism activities. And so I know that there have been some reports here in Germany that that might be the case. That is not.

Chancellor Merkel. Let me complement by saying that the United States of America have bases here, they have soldiers here. They fulfill a very important function, particularly in the fight against terrorism. If I think of Ramstein, for example—and also supplies to soldiers, but also caring for wounded soldiers.

We as allies, as members of NATO, stand shoulder to shoulder here. And we provide bases for our activities, and our work is based also on shared values. As I said, we exchange on—have exchanges on values. But I think it's good. I think it's the right thing to do for the United States of America to be present here with military bases in Germany. It's a normal thing within an alliance, and this is as it should be and as it will be and continue to be.

Syria

Q. Thank you. Mr. President, on Syria, for the purposes of transparency, can you be specific about what military arms the United States will be providing to Syrian rebels and about which groups will be receiving them? And on the same subject, President Putin appeared resolute and isolated on Syria at the G-8. How can a political process succeed in bringing peace if Russia continues to support Assad, both militarily and politically?

[*At this point, the reporter asked a question in German, which was translated by an interpreter.*]

Madam Chancellor, if I may in German, the Federal Government has always argued along the lines that weapons—exports and deliveries of supplies would always as—lead to an escalation because they could land in the hands of terrorists. Don't you think that the situation is going to be exacerbated if the America—America supplies it? Perhaps you would also comment on Mr. Putin. Thank you.

President Obama. Well, first of all, Jeff [Jeff Mason, Reuters], I'm very impressed with your German. [Laughter] And I don't know if you had to practice, but you sounded great. I—Chancellor Merkel said you were just okay. [Laughter]

I cannot and will not comment on specifics around our programs related to the Syrian opposition. What I can say is that we have had a steady, consistent policy, which is, we want a Syria that is peaceful, nonsectarian, democratic, legitimate, tolerant. And that is our overriding goal. We want to end the bloodshed. We want to make sure that chemical weapons are not used and that chemical weapons do not fall into the hands of people who would be willing to use them. And so we've had a consistent view in our desired outcome in Syria.

It's also been our view that the best way to get there is through a political transition. And we said that a year ago; we said that 2 years ago. President Asad made a different decision and has brought chaos and bloodshed to his country and has been killing his own people. And it is our view that it is not possible for him to regain a legitimacy after over 100,000 people have been killed and millions have been displaced inside the country.

So the question now is just, as a practical matter—and this is what I said to President Putin—as a practical matter, if in fact Syria is to remain a unified country and the bloodshed is going to end, how do we do that? The only way to do that is through some sort of political transition process.

And the good news out of the G-8 meeting was, is that you saw all the countries, including Russia, reaffirming the communique coming out of the first Geneva talks that said, we need to create a transitional governing body with full powers.

The second good thing that came out of the G-8 discussions was that all of us, including Russia, said we have to investigate use of chemical weapons inside of Syria, and all the parties, including the Government of Bashar al-Asad, have to cooperate with that investigation.

We're confident that, in fact, the Government has used chemical weapons. The Russians are skeptical. We said, fine, let's have the United Nations get in there, but do a serious investigation of it, because we don't want anybody using chemical weapons.

Now, the issue for us is, how have—how can we continue to support a political opposition and a military opposition that becomes more capable, becomes more unified, that isolates extremists who have incorporated themselves into the opposition forces inside of Syria so that if in fact, and when, we get a political transition, there's somebody there who can take over and function in governing and lead to a better future for all Syrians?

That's a difficult process. It's not one that's happening overnight. But all the assistance that we are providing both to the political and military opposition is designed for that purpose.

Some of the stories that have been out there publicly have, I think, gotten a little overcranked in terms of the idea that somehow the United States is preparing to go all in and participate in another war. What we want to do is end a war. But the only way it's going to end is if in fact we have the kind of transition that I described.

And although you're right that at this point, President Putin believes that what would replace Asad would be worse than Asad himself, what I think will become more and more apparent over the coming weeks and months is that without a different government, you can't bring peace and, in fact, you're going to see sectarian divisions get worse and worse and start spilling over into the other parts of the region, and that would be good for nobody.

Chancellor Merkel. On the issue of arms supplies, Germany has very clear, strict rules on this, legal rules, according to which we are not allowed to supply arms into areas where there is civil strife. And that is not specifically designed for the Syrian question, it is a general rule.

But that does not mean that we do not wish—and can play a constructive role as regards the political processes: for example, as regards humanitarian assistance; as regards also the debate on which is the right way to go about this. How can we strengthen the opposition, those forces that work in the best interest of the people in Syria on the ground? And the situation is somewhat vague as regards the members of the opposition and quite different.

And it is our task also, as we see it, that those who wish for a good future for Syria, who are not linked with terrorists, get a chance to achieve full legitimacy, because Germany too is of the opinion that Assad has certainly lost that legitimacy.

The Russian President, as I understand him, says not so clearly what I said just now, that the Syrian President, namely, has lost his legitimacy. But we have found common language in the sense that we wish to work for a transition government. And the question also has to be asked, what is going to come after that? And that is a question we need to address, and we did so. And in the language of the communique of the G–8, it says, we, all of us, reject terrorist forces in Syria because they would again exacerbate the suffering and—of the people there.

Now we have to see to it that, step by step, all of these different strands are brought together because, unfortunately, as yet, there is no common U.N. position, because Russia so far was not on the side of the others. But we must leave no stone unturned in trying, as we did during the G–8, to find a common basis on which we can also speak with Russia.

And there are certain areas where we obviously differ, but our political responsibility is to, time and again, seek to bring this matter forward in the right direction. And since the situation—if we look to Jordan, if we look to other countries in the vicinity—becomes more and more unstable, what with the flow of refugees and all, I think it's worth every effort to try, all of us to try to do something, based on the language of the communique of yesterday, to do something in the interest of the people in Syria.

Global Economy

Q. Mr. President, in the past, there were some different points of view about the best way out of the global financial crisis. And Chancellor Merkel stands for a policy of cutting back budgets to reach that of financial stability throughout the euro zone to win back trust of the markets. Did you talk about this issue? And what's your position on that?

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

Same question addressed to you: Has there been a discussion on the euro zone, and do you wish to abide by the policy that you—in view of the problems that the countries in the south have currently?

Chancellor Merkel. Maybe I will just start with something, because your question insinuates something that we don't want. We want prosperity. We want competitiveness. We want economic strength in order to bring about reduction of unemployment.

We talked about this at some length. And I also said Germany in the long run will only be able to live well if Europe as a whole is doing well. So it would be a very wrong tack for our policy to take if we were pursuing a kind of policy where we weaken those countries into which we, after all, wish to export our goods. I think the world is changing, however, and Europe is

not competitiveness enough in all of—all areas. And budget consolidation is one piece of the mosaic. Structural reforms have to come into this.

The Italian Prime Minister addressed this issue at some length during the G–8. What does this mean for young people? What does it mean for jobs for young people?

But still, the task is, if 90 percent of growth globally is generated outside of Europe, then we need to produce goods that are so competitive—as competitive for other markets to actually buy them. And this is something that we need to undergo. We need to draw down redtape, bureaucracy. We need to be more open for research and development. We need to have structural reforms. We need to have, for example, affordable energy. If I look at the energy price development in the United States, all of this needs to be done. And part and parcel of that also is—particularly in a continent that is growing ever older—that we are able to reduce our budget deficits so that we don't live at the expense of future generation.

That is what this is all about. This is what I am fervently asking for and working for. And Europe can only help that is strong. And so a future without Europe is something that I cannot envisage for Germany. It's two sides of one and the same coin. On the one hand, Germany needs to want—needs and wants to be competitive, and we also want others to be competitive and improve their competitiveness. And we all are—belong together. This is why we showed solidarity time again, and this is, too, something that we addressed.

President Obama. Well, as Angela said, all of us want the same thing. We want to have an economy that is growing, where people, if they're willing to work hard, are able to succeed and can find jobs that pay a living wage and can retire with some dignity and can send their children to good schools and have health care that is affordable. And we have to do all those things in a way that's fiscally prudent so that we're not mortgaging our future or burdening our children and our grandchildren.

And I think all developing countries—or all more developed countries have been going through some of the same challenges. And we just went through the worst recession in many years.

The good news is, is that we've seen some progress. In the United States, we fixed our banks, which was the source initially, the trigger for some of these major problems. We have a—so we have a much stronger banking system now, with much tighter supervision. The housing market's begun to recover. We've now grown for close to 4 years, 3½ years, and we've created 7 million new jobs.

But we still have some reforms that we have to do. We've got to improve the skills of our workforce. We've got to improve our infrastructure. We have to continue to invest in research and development. In all countries around the world, you're seeing growing inequality, and so we have to find ways to make sure that ladders of opportunity exist for those at the bottom and that profits and increased productivity all does not just benefit those at the top.

And so what's true in the United States is also true in Europe. Europe has different sets of problems. Part of the challenge of the euro zone is, is that you have countries at different stages and levels of productivity and are further or less far along on this path of restructuring and reform.

So we've been discussing this—this has been a 4-year conversation that we've been having, and I don't think there's a perfect recipe. All of us have to make sure that our budgets are not out of control. All of us have to undergo structural reforms to adapt to a new and highly

competitive economy. What's true is, though, all of us also have to focus on growth, and we have to make sure that, in pursuit of our longer-term policies—whether it's fiscal consolidation or reforms of our overly rigid labor markets or pension reforms—that we don't lose sight of our main goal, which is to make lives of people better.

And if, for example, we start seeing youth unemployment go too high, then at some point, we've got to modulate our approach to ensure that we don't just lose a generation who may never recover in terms of their careers. And that's the struggle that I think all of us are going through. That's the discussion we had in the G–8. That's a discussion that Angela and I had here today.

I'm confident that Germany will succeed in this process. I'm confident that Chancellor Merkel cares about maintaining the euro zone and the European project. And she, I think, is confident that the United States wants to do everything we can to get Europe through this difficult patch so that it can be a force for growth and prosperity well into the future. All right?

Thank you very much, everybody.

Chancellor Merkel. Danke schön.

President Obama. Danke schön.

NOTE: The President's news conference began at 12:46 p.m. at the German Chancellery. In his remarks, the President referred to President Hamid Karzai of Afghanistan; and President Vladimir V. Putin of Russia. Chancellor Merkel referred to U.S. Secretary of Homeland Security Janet A. Napolitano; Minister of Interior Hans-Peter Friedrich of Germany; and Prime Minister Enrico Letta of Italy. Chancellor Merkel and some reporters spoke in German, and their remarks were translated by an interpreter.

Categories: Interviews With the News Media : Joint news conferences :: Germany, Chancellor Merkel.

Locations: Berlin, Germany.

Names: Asad, Bashar al-; Carney, James F. "Jay"; Gauck, Joachim; Karzai, Hamid ; Karzai, Hamid; Kerry, John F.; Merkel, Angela; Putin, Vladimir V.

Subjects: Afghanistan : Afghan military and security forces; Afghanistan : Former regime; Afghanistan : International Security Assistance Force; Afghanistan : NATO, role; Afghanistan : President; Afghanistan : Reconciliation efforts; Afghanistan : U.S. military forces :: Deployment; Armed Forces, U.S. : Servicemembers :: Casualties; Arms and munitions : Chemical and biological weapons; Commerce, international : Free and fair trade; Commerce, international : Global financial markets :: Stabilization efforts; Commerce, international : Group of Eight (G–8) nations; Cuba : Guantanamo Bay, U.S. Naval Base :: Closure of detention facilities; Defense and national security : Classified national security information; Defense and national security : Electronic surveillance program; Defense and national security : Intelligence; Economy, national : Financial regulations, strengthening efforts; Economy, national : Improvement; Economy, national : Strengthening efforts; Europe : European Union :: Trade with U.S.; Europe : Financial markets :: Stabilization efforts; Europe : Relations with U.S.; Europe : Transatlantic Trade and Investment Partnership; Germany : Afghanistan, German military forces, deployment; Germany : Brandenburg Gate in Berlin; Germany : Chancellor; Germany : Defense relationship with U.S.; Germany : President; Germany : President Obama's visit; Germany : Relations with U.S.; Germany : Trade with U.S.; Middle

East : Arab-Israeli conflict, peace process; Qatar : Afghan Taliban office in Doha; Russia : President; Security Agency, National; State, Department of : Secretary; Syria : Democracy efforts; Syria : Political unrest and violence; Syria : President; Syria : U.S. assistance; Terrorism : Al Qaida terrorist group; Terrorism : Counterterrorism efforts; Terrorism : September 11, 2001, attacks.

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