

We need to remember what this is all about: Our Nation is at war. We face a very tough fight in Afghanistan. But Americans don't flinch in the face of difficult truths or difficult tasks. We persist, and we persevere. We will not tolerate a safe haven for terrorists who want to destroy Afghan society from within and launch attacks against innocent men, women, and children in our country and around the world.

So make no mistake: We have a clear goal. We are going to break the Taliban's momentum. We are going to build Afghan capacity. We are going to relentlessly apply pressure on Al Qaida and its leadership, strengthening the ability of both Afghanistan and Pakistan to do the same.

That's the strategy that we agreed to last fall; that is the policy that we are carrying out in Afghanistan and Pakistan.

In that effort, we are honored to be joined by allies and partners who have stood by us and paid the ultimate price through the loss of their young people at war. They are with us because the interests and values that we share and because this mission is fundamental to the ability of free people to live in peace and security in the 21st century.

Now, General Petraeus and I were able to spend some time this morning discussing the way forward. I am extraordinarily grateful that he has agreed to serve in this new capacity. It should be clear to everybody, he does so at great personal sacrifice to himself and to his family. And he is setting an extraordinary example of service and patriotism by assuming this difficult post.

Let me say to the American people, this is a change in personnel, but it is not a change in policy. General Petraeus fully participated in our review last fall, and he both supported and helped design the strategy that we have in place. In his current post at Central Command, he has worked closely with our forces in Afghanistan, he has worked closely with Congress, he has worked closely with the Afghan and Pakistan Governments and with all our partners in the region. He has my full confidence, and I am urging the Senate to confirm him for this new assignment as swiftly as possible.

Let me conclude by saying that it was a difficult decision to come to the conclusion that I've made today. Indeed, it saddens me to lose the service of a soldier who I've come to respect and admire. But the reasons that led me to this decision are the same principles that have supported the strength of our military and our Nation since the founding.

So once again, I thank General McChrystal for his enormous contributions to the security of this Nation and to the success of our mission in Afghanistan. I look forward to working with General Petraeus and my entire national security team to succeed in our mission. And I reaffirm that America stands as one in our support for the men and women who defend it.

Thank you very much.

NOTE: The President spoke at 1:43 p.m. in the Rose Garden at the White House. In his remarks, he referred to Gen. David H. Petraeus, USA, commander, U.S. Central Command.

The President's News Conference With President Dmitry A. Medvedev of Russia

June 24, 2010

President Obama. Good afternoon, everybody. Please be seated. *Dobriy den*'. After many meetings around the world, I'm delighted to welcome my friend and partner, President Medvedev, to the White House.

This is also an opportunity to return the wonderful hospitality that the President, Mrs. Medvedeva, and the Russian people showed me and my family during our visit to Moscow 1 year ago. Michelle and I enjoyed a wonderful eve-

ning at the President's home. Our daughters will never forget having tea in the Winter Garden of the Kremlin. And, Mr. President, I hope you'll remember having a burger at Ray's Hells Burger today. [*Laughter*]

We just concluded some excellent discussions, discussions that would have been unlikely just 17 months ago. As we've both said before, when I came into office, the relationship between the United States and Russia had drifted, perhaps to its lowest point since the cold war. There was too much mistrust and too little real work on issues of common concern. That did not serve the interests of either country or the world. Indeed, I firmly believe that America's most significant national security interests and priorities could be advanced most effectively through cooperation, not an adversarial relationship, with Russia.

That's why I committed to resetting the relationship between our two nations, and in President Medvedev, I've found a solid and reliable partner. We listen to one another, and we speak candidly. So, Mr. President, I'm very grateful for your leadership and your partnership.

By any measure, we have made significant progress and achieved concrete results. Together, we negotiated and signed the historic new START Treaty, committing our nations to significant reductions in deployed nuclear weapons. Today we reaffirmed our commitment to work to ratify this treaty as soon as possible, so it can enter into force and set the stage for further cuts and cooperation.

Together, we've strengthened the global nonproliferation regime so that as we meet our obligations under the Nuclear Nonproliferation Treaty, other nations meet theirs and are held accountable if they don't.

Along with our international partners, we passed and are enforcing new U.N. sanctions against North Korea. We offered Iran the prospect of a better future, and when they refused, we joined with Russia and our partners on the Security Council to impose the toughest sanctions ever faced by the Government of Iran.

Together, our nations have deepened our cooperation against violent extremism, as ter-

rorists threaten both our peoples, be it in Times Square or in Moscow. And today we've agreed to expand our cooperation on intelligence and counterterrorism. Russian transit routes now play a vital role in supplying American and NATO forces in Afghanistan. And to prevent terrorists from acquiring nuclear weapons, we came together at our Nuclear Security Summit, where our two nations made numerous commitments, including agreeing to eliminate enough plutonium for about 17,000 nuclear weapons.

Together, we've coordinated our efforts to strengthen the global economic recovery through the G-20, work that we will continue in Toronto this weekend.

And today we agreed to continue closely to coordinate our diplomatic and humanitarian efforts following the tragic outbreak of ethnic violence in Kyrgyzstan.

Our two countries continue to disagree on certain issues, such as Georgia, and we addressed those differences candidly. But by moving forward in areas where we do agree, we have succeeded in resetting our relationship, which benefits regional and global security. This includes, I would note, a change in the attitudes among the Russian people, who today have a far more favorable view of the United States, and that in turn creates more space for additional partnership.

Indeed, this has been the real focus of our work today and of President Medvedev's visit, not simply resetting our relationship, but also broadening it. Because 20 years after the end of the cold war, the U.S.-Russian relationship has to be about more than just security and arms control. It has to be about our shared prosperity and what we can build together.

That's why we created the U.S.-Russia Bilateral Presidential Commission during my visit to Moscow last year to forge new partnerships, not just between governments, but between our businesses, our peoples, and our societies. And today we agreed to forge new cooperation across a whole range of areas.

In particular, we're expanding trade and commerce. We agreed to deepen our collaboration on energy efficiency and clean energy technologies. And this afternoon President

Medvedev and I will join American and Russian business leaders as they move forward with a series of major trade and investment deals that will create jobs for Americans and Russians across many sectors, from aerospace and automotive engineering to the financial sector and high technology. Consistent with my administration's National Export Initiative, this includes the sale of 50 Boeing aircraft, worth \$4 billion, that could add up to 44,000 new jobs in the American aerospace industry.

To deepen Russia's integration into the global economy, I reaffirmed our strong commitment to Russia's ascension to the World Trade Organization. Today we've reached an agreement that will allow the United States to begin exporting our poultry products to Russia once again. And I want to thank President Medvedev and his team for resolving this issue, which is of such importance to American business and which sends an important signal about Russia's seriousness about achieving membership in the WTO.

Therefore, I told President Medvedev that our teams should accelerate their efforts to work together to complete this process in the very near future. Russia belongs in the WTO. That's good for Russia, it's good for America, and it's good for the world economy.

I appreciated very much the opportunity to hear President Medvedev's vision for modernization in Russia, especially high-tech innovation. This is a personal passion of the President. And during his visit to Silicon Valley this week, he visited the headquarter of Twitters, where he opened his own account. I have one as well, so we may be able to finally throw away those red phones—[laughter]—that have been sitting around for so long. American companies and universities were among the first to invest in President Medvedev's initiative to create a Russian silicon valley outside Moscow and more are announcing new investments today.

Mr. President, the United States will be your partner as you promote the transparency and accountability and rule of law that's needed to infuse this spirit of innovation throughout your economy.

We're deepening partnerships between our societies. As they did during our meeting in

Moscow, leaders from civil society groups—Russian and American—are meeting here in Washington to explore new ways to cooperate in education and health, human rights and combating corruption. And in the spirit of President Medvedev's visit, they're placing a special focus on how new technologies can improve their work.

Finally, I would simply add that the new partnership between our peoples spans the spectrum, from space to science to sports. I think, President, you're aware that recently I welcomed to the White House a group of young Russian basketball players—both boys and girls—who were visiting the United States. We went on the White House basketball court, and I have to admit some of them outshot me. [Laughter] They represented the hope for the future that brings our countries together.

Those were the same hopes of another generation of Americans and Russians, the generation that stood together as allies in the Second World War, the Great Patriotic War in which the Russian people suffered and sacrificed so much. Now, we recently marked the 65th anniversary of our shared victory in that war, including that historic moment when American and Soviet troops came together in friendship at the Elbe River in Germany.

A reporter who was there at that time, all those years ago, said: "If there is a fine, splendid world in the future, it will largely be because the United States and Russia get on well together. If it is in trouble, it will be because they don't get on well. It's as simple as that."

Mr. President, the decades that followed saw many troubles, too many troubles. But 65 years later, it's still as simple as that. Our countries are more secure and the world is safer when the United States and Russia get on well together. So I thank you for your partnership and your commitment to the future that we can build together for this and for future generations.

With that, let me introduce President Medvedev.

President Medvedev. Thank you, Mr. President. Distinguished colleagues, of course I must start with thanking my counterpart, President Barack Obama, for invitation to visit the United States of America with a visit and for the

exceptional hospitality and generosity we observed here. Even the weather is so warm that it leaves no doubt that everything is the result of hard work for—in terms of preparation of the visit.

Our delegation appreciated the hospitality. And in Moscow, we met various places, and today I have managed to dine with President Barack Obama—an interesting place, which is typically American—probably it's not quite healthy, but it's very tasty, and you feel—you can feel the spirit of America.

But this is not the main thing we were engaged in. Our delegation, the Russian delegation had a very busy schedule and—which started in California, which is an unparalleled event. Besides the fact that it's a very beautiful place on the coast of the United States, it's a token place, and I hope this is a symbolic launch of cooperation between our countries in the sphere of innovation and high tech.

We spoke about—we have spoken about it today with the President and before, saying that we have a dialogue to build confidence between our countries. We have made steps aimed at establishing a more firm construction of our relations—structure of our relations. And to a certain extent, we made our world safer. I must say this.

But this is not enough for our bilateral economic ties to change. And this visit is generally mostly aimed at achieving these goals. We are ready for that, and our American partners are ready for this same thing. The President and I agreed to work in this sphere, and today the main part of our talks were devoted to economic issues and, first of all, to the very complicated issues as Russia's membership in WTO.

Mr. President has just said that we have reached progress and made headway, but we will later discuss it, probably. I am sure that such cooperation as cooperation in high-tech sphere can be mutually beneficial, including in this framework of those new projects created in Russia.

We are establishing our continuation, so to say, all this in the silicon valley, not far from Moscow, which is the Skolkovo center, and hope that our American partners will actively

partake in this project and will have some good groundwork for that.

In my yesterday's talk in the Silicon Valley and the forum that was held in St. Petersburg, the economic forum, the decisions of major companies to come to Russia with such investment, all this inspires us and shows that we can agree not only on missiles or any—some important and complicated issues of international agenda.

I count on the fact that in Russia, we'll soon have relevant business in place. Yesterday I had an interesting event in my life. I visited the Stanford University, which is a well-known university with special climate, and I was enjoying walking and strolling around Stanford without necktie or—and a suit, but in jeans, which was a pleasure for those people who occupy high posts. I also spoke with students, professors, and tutors and the faculty. It was an open, frank, and candid communication, and I felt their interest in strengthening our good relations and creating new high-tech projects in the Russian Federation and the United States.

As far as the talks of today, I can say, Mr. President has said in detail about everything. I have practically nothing to add. We went through all the issues and the items of the agenda. We're interested in removing the obstacles accumulated over the previous period in term—in this area of bilateral trade and investment.

Russia has been actively participating in international labor division, and after the Washington summit is over, we will fly—well, by different planes—we'll fly to Canada, where we will address the issue of promoting our common view and common goals and discussing the global financial agenda, and on our mutual understanding, a lot depends in the format of G-20, including.

Today we have spoken about our economies' responses to the effects of the crisis. So we believe that much is done, but a lot has been—has to be done. President told me about many innovations and novelties he's trying to prove—to steer through the Congress to make the U.S. economy more stable. I briefed him on our crisis exit measures.

I believe it was a helpful exchange of opinions, and I hope that in a cooperative way, we will, together, discuss the issues of restoring the global finance and establishing the new financial order during the G-20 meeting.

There are some things that should be substantially changed; I mean the investment climate. We should provide a stimulus to our businessmen to be more attentive and thoughtful towards each other, to invest funds in each other's economies. And this is why, after the press conference, we're going to meet our business communities of our countries, and we will talk of future steps so that the level of economic investment cooperation is in line with the potential of the U.S. and the Russian economies.

Over the last period of time, we established—we created a number of useful tools. One of them is a Presidential Commission that has been mentioned by Mr. Obama. On the one hand, it's a common instrument, but on the other hand, it's a mechanism that provides for effective interaction which is in line with the current spirit and level of our friend and partnership relations that—and also, I meant, relations between Mr. Obama and me. So I hope all the colleagues that are present here and that are members of the commission will actively work to implement the plans that we have.

So we went through the national agenda. And today we devoted less time to it because in our previous meetings, we devoted a lot to it, so still have managed to do something. We spoke of the Middle East crisis and the resolution on Iran, the Korean Peninsula developments, the Kyrgyzstan developments, and some other most complicated issues that are currently on our planet.

We also spoke about European security. We believe that we share a common view that Europe should have the security system. We have some differences—and Mr. President mentioned it—in terms of, for example, the after-effects of the conflict that was initiated by Georgia's leadership in 2008. But these differences do not prevent us from discussing future and launching new mechanisms of contacts.

We discussed the situation around the new START Treaty. Our goal—the goal of the two Presidents—is to ensure tranquil ratification of

the treaty by our parliament. I hope it's going to be done in near future. Well, for example, in the statement of the Federation Council, there are hearings in place, there are hearings on, and in Congress, there are hearings, as far as I know, as well as in the Senate. So these active discussions should reveal the truth and synchronize the process of ratification.

We keep thinking of our next future steps, and this is a serious responsibility of the Russian Federation and the United States. We'll not lift this responsibility or shirk it. We will keep in touch. And I'm always ready to discuss various issues with my colleague and my counterpart. And we succeed in these discussions.

Last time the President and I spoke over the phone, it was a record—my record of phone conversation—probably Obama has some longer records. It lasted 1 hour, 45 minutes, which is a lot, I may say frankly, and the ear starts getting stiff, but the result—I will not brief you on the nuances—on the topics we discussed, we were both interested and submerged into the topic. Not only our aides, our ministers should be that responsible, but we too.

So I'm thankful to my counterpart for his active cooperation and for a warm welcome here in Washington. Thank you so much.

President Obama. We're going to take some questions. We will start with Carol Lee of Politico.

U.S. Military Operations in Afghanistan

Q. Thank you, Mr. President. Does the change in command in Afghanistan change your timetable for withdrawal? Is there likely to be any disruption, particularly given Secretary Gates seemed to contradict Vice President Biden's comments that you can bet on a large number of troops withdrawing in July of 2011? So are you confident that everyone on your team is on the same page when it comes to your plan? Do you expect anyone else to leave?

And if I may, to President Medvedev, given your country's history and experience in Afghanistan and your ability to talk candidly with President Obama, have you offered him any advice on the Afghan war? And do you believe that a foreign country can win in Afghanistan?

Thank you.

President Obama. The short answer is that what we saw yesterday was a change in personnel, but not a change in policy. Let me flesh that out.

When we engaged in an extensive review last year, General Petraeus was part of a group that included Secretaries Gates, Clinton, my national security team that discussed extensively what our various options were in Afghanistan. And what was determined was, number one, that we had to be very clear on our mission.

Our mission, first and foremost, is to dismantle and destroy Al Qaida and its affiliates so that they can't attack the United States. The reason we're there in the first place is because 3,000 Americans were killed from an attack launched in that region. We are not going to have that repeated.

In order to achieve that, we have to make sure that we have a stable Afghan Government, and we also have to make sure that we've got a Pakistani Government that is working effectively with us to dismantle these networks.

What we then said was we would put in additional troops to provide the time and the space for the Afghan Government to build up its security capacities, to clear and hold population centers that are critical, to drive back the Taliban, to break their momentum, and that beginning next year, we would begin a transition phase in which the Afghan Government is taking more and more responsibility for its own security.

Here's what we did not say last year. We did not say that starting July 2011, suddenly there would be no troops from the United States or allied countries in Afghanistan. We didn't say we'd be switching off the lights and closing the door behind us. What we said is we'd begin a transition phase in which the Afghan Government is taking on more and more responsibility.

That is the strategy that was put forward. What we've also said is, is that in December of this year, a year after this strategy has been put in place, at a time when the additional troops have been in place and have begun implementing strategy, that we'll conduct a review

and we'll make an assessment: Is the strategy working? Is it working in part? Are there other aspects of it that aren't working? How is the coordination between civilian and military? Are we doing enough to build Afghan security capacity? How are we working effectively with our allies?

So we are in the midpoint of implementing the strategy that we came up with last year. We'll do a review at the end of this year. General Petraeus understands that strategy because he helped shape it. And my expectation is that he will be outstanding in implementing it and we will not miss a beat because of the change in command in the Afghan theater.

Keep in mind that during this entire time, General Petraeus has been the CENTCOM commander, which means he's had responsibility in part for overseeing what happened in Afghanistan. And that is part of the reason why I think he's going to do such a capable job. Not only does he have extraordinary experience in Iraq, not only did he help write the manual for dealing with insurgencies, but he also is intimately familiar with the players. He knows President Karzai. He knows the other personnel who are already on the ground.

So our team is going to be moving forward in sync. It is true that I am going to be insisting on a unity of purpose on the part of all branches of the U.S. Government that reflects the enormous sacrifices that are being made by the young men and women who are there.

I mean, every time I go to Walter Reed, when I visited Afghanistan and I visited the hospitals, and you see young men and women who are giving their all, making enormous sacrifices on behalf of the security of this Nation, my expectation is, is that the leadership is true to those sacrifices, that the strategy that we're promoting, the manner in which we are working together at the leadership level fully respects—fully reflects and honors the incredible dedication of our young men and women on the ground. That's what I expect, and I believe that is what I will receive.

Was there one last aspect to the question?

Q. Does anyone else need to go in the chain of command?

President Obama. I am confident that we've got a team in place that can execute. Now, I'm paying very close attention to make sure that they execute, and I will be insisting on extraordinary performance moving forward.

One last thing I just want to remind everybody, though, that the issues with General McChrystal that culminated in my decision yesterday were not as a result of a difference in policy. I want to be very clear about that. He was executing the policy that I had laid out; that he was executing the orders that I had issued and that were reflective of the review process that took place last year. Okay?

President Medvedev. I'll try to be even briefer than my colleague, Mr. President. You know, I hope that we have quite friendly relations with President Obama, but I try not to give pieces of advice that cannot be fulfilled. This is a hard topic, a difficult one. I can say only two things. First of all, we believe that, at present, the United States and some other countries are assisting the Afghan people in obtaining the much wanted statehood and restore the basis of the functioning of an effective state, restore their civil society and their economy. And in these terms, we will support and back the efforts of the U.S.

As far as our own experience, well-known experiences—[inaudible]—I would very much like to see the Afghan people in near future having an effective state and a modern economy, which requires toiling more than a year. But this is the path to guarantee that the most—the gravest scenarios of the last time will not repeat.

Please, ITAR-TASS.

Russia's World Trade Organization Membership/Russia-U.S. Cooperation in Research and Development

Q. Good day. ITAR-TASS News Agency. My question to the President of the United States: You just mentioned that you discussed the issue of Russia's joining the WTO during your talks. But I must admit that and state that promises to facilitate Russia's entry has been heard by the Russian delegation for a decade. Could you more specifically name the timeframe when you're referring to finalizing the process in near future?

And a question to Medvedev: Yesterday you visited the Silicon Valley. How did your perceptions on future cooperation between Russia and the U.S. in high-tech sphere change, and what indicators should be reached so that you can call the cooperation a successful one? Thank you.

President Obama. On the WTO, first of all, I emphasized to President Medvedev, I emphasized to his entire delegation, and I now want to emphasize to the Russian people, we think it is not only in the interests of the Russian Federation but in the interests of the United States and in the interest of the world that Russia joins the WTO. So this is something that we want to get resolved.

In terms of timeframe, let me give you a sense of perspective from our U.S. Trade Representative, Ron Kirk, who has been in close contact in negotiations with his counterparts on the Russian side. The way he described it is that 90, 95 percent of the issues have now been resolved. Now, the remaining 10—5 to 10 percent are difficult issues and are going to require some significant work. But that should give you some sense that a lot of work has already been done, even in the last few months, that makes an enormous difference.

Now, in our joint statement, what we were going to essentially instruct our negotiators is that they try to come to terms with the technical issues that remain by the fall. We are going to keep putting pressure on negotiators in the same way that we did during the START Treaty so that these—there's a sense of urgency on the part of our team.

A lot of the technical issues, the resolution of those technical issues, though, may be in the hands of the Russian Government. We've already made progress on some issues like encryption, for example. There may be certain international standards that require modifications in Russian law.

So as much as possible, what I've told my team is we are going to do everything we can to get this done as quickly as possible, and we will be very specific and very clear about the technical issues that Russia still faces. And Russia then will act in accordance with its needs and re-

quirements internally to meet the demands of the WTO in order to get this done.

But I'm confident that we can get this completed. And I am confident that President Medvedev and his vision for an innovative, modernized, energized economy are entirely consistent with Russia's joining the WTO.

And I also want to just say this. Sometimes it's odd when you're sitting in historic meetings with your Russian counterpart to spend time talking about chicken. [Laughter] But our ability to get resolved a trade dispute around poultry—that is a multibillion-dollar export for the United States—was, I think, an indication of the seriousness with which President Medvedev and his team take all of these trade and commercial issues.

And I very much appreciate the steady and consistent manner in which the President has approached these issues. That's part of what gives me confidence that we're going to get this done and that this will just be one aspect of a broader strengthening of commercial ties, cross-border investment, and expanded opportunities and job creation both in the Russian Federation and in the United States.

President Medvedev. I will say a couple of words about the WTO, because it's important for our country. First of all, we have coordinated a common approach today which says that some substantive issues are almost off—are none left. So we moved along all the lines, starting from encryption and intellectual property and ending with state borders and other things like synchronized character of changing of the Russian legislation as—in the process of joining the WTO.

There are some remaining technical minor problems, and our teams have been instructed to work as fast as possible. And we hope—and we have stated this—that the work will be finalized by the end of September this year.

I'm quite happy that we have set the timeframe not to lose all the positive momentum in what we have deliberated and not to dilute the talks about WTO in the issues of chicken meat or swine trimming. We're in a different situation today.

As far as cooperation in the Silicon Valley is concerned, well, yesterday paid heed that ev-

eryone wishes to call the Silicon Valley the "Kremlin Valley" in Russia. Probably for English there is no difference, but in Russia there is. So in the "Kremlin Valley" it was very interesting—the visit, I mean. And I looked at the activities of major companies that will, as I hope, become our close partners for modernization and technological advancement of our economy like—those like Cisco. And yesterday we inked a memorandum on investment in some projects to the tune of great sums. And also, I watched the activities of small companies situated in the Silicon Valley, which set an example of being efficient and effective in the risk of high-tech business.

It's very good that our companies settle in the Silicon Valley. Yesterday I browsed through the search engine Yandex, which is our number-one search engine and one of the major systems for search information in the world. So we should learn how to work, and we should not swagger, saying that we are clever enough. We have something to learn in terms of organizing business, and this is prompted by my talk with the representatives of Russian business communities that moved to the United States or are here on a temporary basis. Some of them are wishing to work with Russian investors. Many of them want to come back to Russia. But they do have precious experience as the Silicon Valley and what is done there.

And it's first and foremost people—their minds and their abilities and skills—and only after, money and infrastructure. So we will carefully study the experience of the Silicon Valley, and without replicating, we will use the best practices and samples that exist in California in the framework of that major project that is called the Silicon Valley.

China/Global Economic Stabilization

Q. Thank you very much, Mr. President. I'd like to ask about the G-20, since you are both heading to the summit. On China, you've already welcomed its decision on the yuan. Are you satisfied with how far the country has moved since that news? How will this influence your judgment on whether China is a

currency manipulator? And when will you release your report to Congress on this matter?

President Obama. Okay. I think that China made progress by making its announcement that it's going to be returning to its phased-in, market-based approach to the RMB. The initial signs were positive, but it's too early to tell whether the appreciation that will track the market is sufficient to allow for the rebalancing that we think is appropriate.

I'm going to leave it up to Secretary Tim Geithner to make a determination as to the pace. He's the expert when it comes to examining the currency markets. I will say that we did not expect a complete 20-percent appreciation overnight, for example, simply because that would be extremely disruptive to world currency markets and to the Chinese economy. And ultimately, not surprisingly, China has got to make these decisions based on its sovereignty and its economic platform.

But we have said consistently that we believe that the RMB is undervalued, that that provides China with an unfair trade advantage, and that we expect change. The fact that they have said they are beginning that process is positive. And so we will continue to monitor and verify how rapidly these changes are taking place.

And I think that we will be able to track a trajectory. And if that trajectory indicates that over the course of a year the RMB has appreciated a certain amount that is more in line with economic fundamentals, then I—hopefully, not only will that be good for the U.S. economy, that will also be good for the Chinese economy and the world economy.

More broadly, just to widen out the challenges that the world economy faces, we said in Pittsburgh in the G-20 that it was important for us to rebalance, in part because the U.S. economy for a long period of time was the engine of world economic growth; we were sucking in imports from all across the world financed by huge amounts of consumer debt. Because of the financial crisis, but also because that debt was fundamentally unsustainable, the United States is not going to be able to serve in that same capacity to that same extent.

We are obviously still a huge part of the world economy. We are still going to be open.

We are still going to be importing as well as exporting. But the economic realities are such that for us to see sustained global economic growth, all countries are going to have to be moving in some new directions.

That was acknowledged in Pittsburgh. That means that surplus countries are going to have to think about, how are we spurring domestic demand. That means that emerging countries are going to have to think, are we only oriented towards exports, or are we also starting to produce manufacturing goods and services for the internal market. It means that deficit countries have to start getting serious about their mid-term and long-term debt and deficits. And that includes the United States of America, which is why I've got a fiscal commission that's going to be reporting to me by the end of the year.

So the point is, not every country is going to respond exactly the same way, but all of us are going to have responsibilities to rebalance in ways that allow for long-term, sustained economic growth in which all countries are participating and, hopefully, the citizens of all these countries are benefiting. All right?

Now he's got to decide.

Kyrgyzstan

Q. Komsomolskaya Pravda newspaper. A question to both Presidents. You said that you discussed the situation in Kyrgyzstan. Do you share the view on the problem? And what are joint ways of solving it? It's known that Russia and U.S. have military bases in the republic. So do you consider opportunity to involve a military contingent if the situation in Kyrgyzstan keeps deteriorating?

President Medvedev. Yes, we have discussed this issue, as the situation in the Republic is difficult. At present, the state is not operating as it should. Well, the country, de facto, is split into parts, and civil unrest and clashes continue on the ethnic grounds. Very many people have perished, and the authorities have been incapable of preventing what has happened.

So we are interested, both Russia and the States, in the state's ability in Kyrgyzstan to be able to resolve such issues to—and look that all the civil rights are observed and the tasks of en-

sure food supplies and the basic material facilities are ensured.

Russia is working with the temporary caretaker leadership of Kyrgyzstan. We believe that they should prove their legitimate character, nature. But we consider Kyrgyzstan to be a strategic partner. We will help them both in terms of money and humanitarian aid. We hope that during the election process, a full-fledged government will be shaped, able to solve and rest the issues that face this state. Otherwise, Kyrgyzstan will degrade and will break up into parts.

All of us share a concern that under these circumstances, radical elements may rise to power in that country, and in this case, we will have to address the issues that are addressed by us in other regions. I'm referring to the goals that we have in Afghanistan.

We discussed this issue, and if we are talking about a possibility of some enforcing order, well, I believe that Kyrgyzstan should on its own cope with these problems. The Russian Federation does not plan any deployment of a military—of a peaceful contingent. And I got a letter from the Acting President of Kyrgyzstan, Roza Otunbayeva. But there is a consultations mechanism in the CSTO format. Heads of Security Council met to discuss the issue of security and of deploying a peacekeepers contingent. So far, there is no need, they have decided, but these things may start developing by different scenarios.

So CSTO will respond, and me, being the chairman of the Organization, any time can

convene a meeting of relevant bodies, and we hope that the United States do have—does have an understanding.

President Obama. It is—obviously, we're monitoring the situation very carefully. There already has been excellent coordination between the United States and the Russian Federation on delivery of humanitarian aid.

One of the things that we discussed is creating a mechanism so that the international community can ensure that we have a peaceful resolution of the situation there, and that any actions that are taken to protect civilians are done so not under the flag of any particular country, but that the international community is stepping in.

And so our teams will be in continuing discussions in the weeks ahead as we monitor the situation as it unfolds.

All right. Thank you very much, everybody.

NOTE: The President's news conference began at 2:07 p.m. in the East Room at the White House. In his remarks, the President referred to Svetlana Medvedeva, wife of President Medvedev; Gen. David H. Petraeus, USA, commander, U.S. Central Command; President Hamid Karzai of Afghanistan; and Gen. Stanley A. McChrystal, USA, former commander, NATO International Security Assistance Force, Afghanistan. President Medvedev and two reporters spoke in Russian, and their remarks were translated by an interpreter.

Remarks at the United States-Russia Business Summit

June 24, 2010

President Obama. Well, good afternoon, everybody. It is a pleasure to be here with my friend and partner, President Medvedev, and I want to thank him again for his leadership, especially his vision for an innovative Russia that's modernizing its economy, including deeper economic ties between our two countries.

I want to thank the leaders who are guiding the discussion today: my Commerce Secretary,

Gary Locke, and Minister Nabiullina. I always have a little trouble with that one. [*Laughter*] They say the same thing about Obama. [*Laughter*] We are joined by our United States Trade Representative, Ambassador Ron Kirk, and our great Ambassadors, John Beyrle and Sergey Kislyak.

And I want to also thank the U.S. Chamber of Commerce, the U.S.-Russia Business Council, the American Chamber of Commerce in