

# Press Briefing by Press Secretary Jay Carney, Deputy National Security Advisor Ben Rhodes, Under Secretary Brainard and Ambassador McFaul

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MR. CARNEY: Good afternoon, ladies and gentlemen. Welcome to our briefing here in Mexico during the G20 summit. Today I have with me Ben Rhodes, Deputy National Security Advisor to the President for Strategic Communications. We also have Lael Brainard, Under Secretary of the Treasury for International Affairs, and Mike McFaul, the U.S. Ambassador to Russia. Together, the three of them can provide you information about the President's meetings thus far today and preview some of the meetings to come.

And with that, I will turn it over first to Ben Rhodes.

MR. RHODES: Thanks, everybody. I'll make some opening comments about the President's meetings this morning, and then hand it over to Lael to speak a little bit about the G20, which is getting underway.

First, as you saw this morning, the President had a good meeting with President Calderón of Mexico. I think the main focus of the meeting was to mark the completion of Mexico being announced into the negotiations around the Trans-Pacific Partnership agreement.

We see this as a very significant step forward as Mexico joins with the eight other countries that are a part of the TPP negotiations. It fulfills an expressed desire by Mexico at the APEC summit in Hawaii last November to explore coming into these negotiations. A lot of hard work was done. And thanks to the leadership of President Calderón and the work of our negotiating teams, we will now move forward with the TPP, which we see as a real signal trade agreement for the 21st century with Mexico, again, as a part of that effort. And this will further deepen obviously the economic ties amongst not just Mexico and the United States but also the North American and Pacific community more broadly.

In addition to that, they were able to discuss the summit agenda, which Lael can speak to a little bit more, and you heard the President's comments as well -- as well, as, again, reaffirming what has been a very close and constructive relationship with President Calderón as Mexico heads to an election here in the coming weeks and then the transition later in the year.

Then after that meeting, the President had a bilateral meeting with President Putin of Russia. Ambassador McFaul can also speak to some of the issues that were discussed in the meeting when we get to questions. I'd say, as the two leaders both noted, it was a constructive conversation that touched on all the issues in the U.S.-Russia relationship that are on the top of the agenda.

The leaders began with a step back and a discussion of the state of the relationship between our two countries. This is obviously their first face-to-face meeting since President Putin took office. They had met previously once before when President Obama was in Russia in 2009.

They agreed that there has been a positive trajectory in the U.S.-Russia relationship. That's manifested in our ability to supply our troops in Afghanistan through the Northern Distribution Network. It's manifested in the progress we've made on nuclear security and nonproliferation through the New START Treaty and our efforts to lock down nuclear materials together, and it's manifested, frankly, in the fact that, even as we speak now, the Russians are hosting the P5-plus-1 talks in Moscow aimed at getting Iran to live up to their international obligations. Russia has been a partner with us in passing Iran sanctions at the United Nations Security Council and then pursuing that diplomatic path to try to resolve the Iranian nuclear issue.

As the same time, as President Obama noted, we of course, also have disagreements with Russia on issues. And most prominently in recent months that has been on Syria. But the leaders very much agreed that we should be able to air our differences directly with one another and not have those differences overwhelm the many areas where we can work together on issues of common interest.

After that broader discussion, they discussed the need to expand trade and investment between the United States and Russia. This is an area I think where both leaders are very much in agreement that more can be done, that there's great potential to create jobs and opportunity in both countries if we deepen those ties. Given Russia's accession to the WTO, which the United States strongly supported, we want to see our businesses get access to those Russian markets. That's why you heard the President discuss publicly his commitment to see a repeal of the Jackson-Vanik law, and again, greater access for U.S. businesses into Russian markets.

They also discussed strategic issues, including missile defense. Obviously this is an area where we've had our differences with Russia in the past. They agreed, as President Medvedev and President Obama did in Seoul, to continue a discussion at the technical level around missile defense issues in pursuit of a broader political conversation once we sort through the technical concerns that are on both sides.

Then they had an extended discussion on Syria. And I think it was an important opportunity for the two leaders to sit down and lay out essentially their view of the situation there, the interests that each of our countries have in Syria and in seeing a peaceful resolution to the violence in Syria. Again, as we have said publicly and privately in recent weeks, we are very much focused on the fact that even as we work to bring about a ceasefire in Syria, even as we work to support, for instance, the effort to get monitors into the country to help monitor the activities of the Syrian regime and their ability to live up to their obligations under the Annan plan, we don't think that's going to be sufficient to bring about a resolution to the issue in Syria. We believe there needs to be an urgent shift towards a political process within Syria that is responsive to the aspirations of the Syrian people and that, again, proceeds with a sense of urgency given the very grave humanitarian situation in the country.

I think there was agreement among the leaders that there needs to be a political process and that this simply cannot be about a ceasefire; it has to be about a political process as well that gets at some of the core issues that are driving the conflict within Syria. Obviously, the United States very much believes that that political process needs to include Bashar al-Assad stepping down from power.

This is something that we'll continue to discuss on the international stage going forward. You heard President Obama allude to the consultations we'll be having with the United Nations about this. But we expect to be continuing to press the issue of a political transition within Syria, internationally as well as bilaterally, in the days to come. And we believe that there was some common ground forged in the meeting that will help us move forward with those efforts.

And lastly, on Iran, again, I think we feel like we are in sync with the Russians as it relates to pursuing a diplomatic process through the P5-plus-1. Those talks are obviously ongoing as we speak, in Moscow, and we want to stay closely coordinated with Russia and all of our P5-plus-1 partners both as we seek a diplomatic resolution to the Iranian nuclear issue and as we continue to apply pressure on the Iranian government if they don't live up to their obligations.

With that, I'll turn it over to Lael to speak to the G20 agenda. I will say -- a number of people have asked about any additional meetings tonight. We do expect that at the conclusion of the leaders dinner tonight, the President will sit down with a number of his European counterparts to continue those discussions. They did that at the last G20, in Cannes, where President Obama sat down with a number of eurozone leaders, EU leaders, and had a longer dialogue after the dinner. Given that tonight's dinner is focused on the global economy broadly, it's a good opportunity to continue a dialogue between the United States and Europe on this situation in the eurozone and the global economy broadly.

Q Is Merkel going to happen?

MR. RHODES: Merkel happened right as we were coming over here, so we'll work to get you readout information on that.

But with that, I'll hand it over to Lael.

MRS. BRAINARD: Good afternoon. The G20 leaders are arriving here at a time when the risks are great. I think we are seeing a clear-eyed perception on the part of all the leaders that have started to have conversations bilaterally, certainly in the negotiating room,

about the risks of the global economy. And I think you'll see coming out of these meetings a high degree of resolve to work together to address financial market tensions and more clarity about the need to strengthen demand.

There is in all the discussions so far a broad recognition that Europe presents the greatest challenge. The timing of the summit is opportune for President Obama to spend focused time with leaders of the largest euro area member states, both in the room and bilaterally and at this evening's discussions, as they prepare for the next stage of their response. We don't expect decisions until all euro area leaders have their summit at the end of June, but we do expect to see a clear direction of travel coming out of Los Cabos.

European leaders are pledging to do all necessary measures to safeguard their monetary union, and as they escalate their response, there are four important areas under discussion here. First, of course, Greece. Leaders were getting off their planes here as the world was learning about the outcomes of the elections in Greece. It's good to see the resolve in Greece to work with its euro area partners to stay on the path of reform and sustainability within the euro area, and we will support that process.

Second, European leaders are working to lay out a path to financial union, which is a necessary complement to monetary union. They are considering concrete steps towards a more centralized framework for supervision and resolution, which will in turn permit greater risk sharing on recapitalization and deposit insurance. This is critical for confidence. And in this regard, you'll see that they are noting their determination to take the necessary steps to break the feedback loop between banks and sovereigns.

Third, euro area authorities continue working to make their financial backstops effective and credible in the face of these market pressures. Spain and Italy in particular are undertaking very serious long-term reforms, and it's going to continue to be important that the euro area broader framework leads to sustainable borrowing costs.

And finally, we're seeing a noticeable shift in the European discussion recognizing the critical importance of supporting demand and job growth. They're moving towards supporting project bonds and strengthening the European investment bank. Importantly, there's a recognition of the need to assess fiscal consolidation plans on a structural basis. In short, recognizing the deterioration in economic conditions.

So with that, let me conclude, and then I guess we'll just take questions broadly.

MR. RHODES: Great. So we can take questions on Europe, G20, Russia, anything else on your mind.

I'll start with Ben.

Q Thanks, Ben. On Syria, can you detail a little bit more specifically where this common ground is forged? I ask because neither President mentioned Assad, and of course, the United States is saying that has to be part of the answer here -- he is a brutal dictator and he has to go -- and Russia hasn't shown such an inclination. So where exactly is the common ground here?

MR. RHODES: Well, I think the common ground is coalescing around the notion of elevating a political transition within Syria as an urgent priority for the international community. We have been raising this for some time, over the last several weeks. At the G8, we raised it in the context of citing the Yemen-style, negotiated, pacted transition that allowed President Saleh to leave power.

I think the Russians have made clear, and in some of their public comments have indicated, as they have as recently as recent days, the fact that they recognize the need to pursue a political process in Syria, that ultimately that political process is going to have to be determined by the Syrian people, and that the Syrian people need leaders who are responsive to their aspirations and their will.

Our assessment, which we, again, shared today with the Russians, is that Bashar al-Assad has no legitimacy to lead the country anymore; that any political process, by definition, would need to include him leaving power simply because he can no longer lead that country. It's certainly true that the Russians have not publicly issued the same kind of call for Assad to step down, but the fact that, again, they are in agreement about the need to energize a political process within the country and the need to work on an international basis to add momentum to that, I think that is -- that does provide the basis for some common ground as we seek to go forward with the United Nations and other countries and the Syrian people as well in bringing about that type of transition.

Q I'm sorry, did President Obama prod President Putin on this, specifically about Assad?

MR. RHODES: Yes, I think that they had a candid exchange of views. And I don't know, Mike, if you want to add anything to it. But President Obama was very clear about the reasons why we assess that Assad has lost legitimacy and would need to step aside as a part of any political transition. That's a case that we've made publicly. It's something we certainly communicated privately today as well.

Q So, to go back, are you saying that he -- did Putin indicate that he'd be willing to consider pushing Assad from power, helping to lead that idea? I mean, you're sort of dancing around it. What did Putin say about whether Assad should stay in power -- he's open to think about it? What reasoning did he give to say, okay, if X, Y and Z doesn't happen then we'll be for it?

MR. RHODES: Look, I'm not going to speak for President Putin. I think what he did say is, if you recognize the importance of having a political process in the country, and I think you've seen --

Q -- a political process as sort of --

MR. RHODES: Well, you've Russian leaders recently say that this isn't about protecting Bashar al-Assad for them. This is about their interest in stability in the country. We share an interest in stability. We think that stability necessitates new leadership. So they have signaled publicly the fact that the Syrian people are ultimately going to determine a political process, not Russia, for instance. So I think he demonstrated an openness and an interest in supporting a political process in the country. And we're going to continue to work with the Russians at the international level to bring that about.

Q Can you answer this first question about why Assad's name wasn't mentioned by either leader?

MR. RHODES: I mean, I think President Obama's views on Assad are well known. We've been calling for him to step aside for some time now. So I can't speak for President Putin, but I think the world knows and the Syrian people know the American position on Assad and his future.

Q Ben or Mike, how would you gentlemen describe the chemistry between the two leaders? And how would you, after this first meeting -- or second meeting that they've ever had, assess the state of U.S.-Russia relations, based on where they are now?

AMBASSADOR McFAUL: Good to see you all again. I thought the chemistry was very businesslike, cordial. The actual meeting -- the body language stuff -- I've been in a lot of meetings with Putin, I've watched a lot of video of him. There was nothing extraordinary. That's just -- that's the way he looks. That's the way he acts. I wouldn't read anything into that at all.

I want to emphasize what Ben started with. They started with a tour of everything in U.S.-Russia relations, and noted that whether this is a moment of continuity or change, it was clear from the discussion that both Presidents are satisfied with the general trajectory in U.S.-Russia relations. President Putin -- because he's the new President in this relationship -- reaffirmed his commitment to work with us on things where we agree and on the issues where we have disagreement. And that was the tenor of the meeting in general.

And particularly on Syria, I think it was a long piece of the discussion. They spent a long time explaining each other's views, because remember, they have not sat down face to face to ever discuss Syria before. Both Presidents wanted to make clear what our respective national interests are in this situation, and we're reacting to some, perhaps, misperceptions on both sides. So they spent a long time talking about that.

Q How long would you say of the two hours?

AMBASSADOR McFAUL: At least a third, I would guess. It the meat -- of all the topics discussed, it was the one that they spent the most time on.

And with respect to what Ben said about political process, the name Assad came up many, many times, just to be clear. The President was very clear in articulating our view on that. The discussion about political process for the Russians is not just to focus on this one event, whether Assad goes and when he goes. And I think that was the tenor of the discussion, particularly working with the United Nations, with Mr. Annan, to try to have a framework that is broader than just this one event.



Q I wanted to ask a question about the G20. When you say that there's been a notable shift towards supporting demand and job growth, are you seeing that from Chancellor Merkel and other members of the German delegation?

UNDER SECRETARY BRAINARD: Well, we're certainly -- I think you'll see in in the documents that come out of the summit. I think if you look at the shift in the focus, you'll see a very strong focus on supporting demand -- strengthening demand and recognizing that economic conditions have deteriorated. This is very important to the Europeans in particular.

And yes, we have heard it from German colleagues. I think they are factoring demand into their near-term thinking, recognizing, again, that it's important for the euro area to move forward on these key areas: greater integration and risk-sharing on the banking front; stronger firewalls that are able to help those who are undertaking reforms attain sustainability -- obviously Greece; and adjusting fiscal consolidation paths to allow for the deterioration of the cycle.

So you're seeing a -- I think you'll see it both in the documents and in their discussions.

Q Did President Obama and President Putin at all discuss the military support that Russia has been giving to the Syrian government? There are conflicting reports of different kinds of aircraft that have been taken into Syria. And also the Interfax report from this morning about two ships -- two amphibious ships apparently headed to a Russian base in Syria.

MR. RHODES: Well, I'll start. I don't think that specific report was discussed as a general matter. They discussed Russia's relationship with Syria, including its arms relationship. We have expressed, and expressed again today, our belief that continued arms sales to the Assad regime only perpetuate the conflict. Given the behavior of the Assad regime, we would like to see those arms sales come to an end.

President Putin, as Russia has said publicly as well, suggested that these were kind of longstanding relationships that weren't focused on the current conflict. Again, our view is that the Assad regime needs to be denied the resources that allow it to carry out its crackdown. That's why we have sanctions in place to choke off its economic resources.

And you see the economy very much weakening, and the resources that government has and the revenue the government has weakening. That's one of the pillars of the regime that is the most tenuous right now.

Similarly, we'd like to see arms sales to the Assad regime come to an end, because we believe they've demonstrated that they will only use their military against their own civilian population.

Q What can you tell us about the two ships, the two Russian ships?

MR. RHODES: We obviously are aware of the reports. The Russians have a facility. They have a port in that part of the world. They have said that these ships are there to provide additional support to their people of that facility. We'll have to monitor it very closely and determine whether they're doing anything beyond that.

Again, as of now, this is just them providing additional resources to a facility that they do have. But what we would like to see separate and apart from that is an end to arms shipments to the Assad regime. That's where our concern is, and that's what we'll continue to raise with the Russians.

Q How concerned are you about the apparent lack of progress in the nuclear talks in Moscow? Can you tell us what you see the sticking points are? And what happens if these talks wrap up with no progress?

MR. RHODES: Well, I think essentially what took place today is -- we had made a number of clear points to the Iranians about our concerns with their nuclear program, the types of things that they need to do to start to build the confidence in the international community that particularly involved their enrichment up to 20 percent of uranium. That includes their stockpiles of highly enriched uranium, and that includes their facility in Qom, which, again, began as an illicit facility, therefore in violation of their obligations.

The Iranians came back today with a set of points in response to those concerns. The P5-plus-1 I think was unified in responding very forcefully that the onus is on the Iranians to come in line with their obligations. I think that the talks have broken off for the day. Tomorrow there will be additional sessions. There will be another plenary session.

And we're not concerned about this particular round of talks; we're concerned about the Iranian nuclear program. And what we see as a positive development is that the unity of the international community has held, that the P5-plus-1 has been very firm throughout these negotiations, that our sanctions have come online during these negotiations. So you've had, for instance, us grant exceptions to a host of nations that have dramatically reduced their imports of Iranian oil.

So the pressure has been building on the Iranians. So if they thought that by coming into a negotiation they'd be able to relieve pressure, the opposite has happened. They've come into a negotiation; they've met a unified international community and sanctions have continued to build on them.

However, we still believe that there's time and space to pursue a diplomatic solution, so we'll continue these discussions tomorrow, and we believe, going forward, we still have an interest in engaging with the international community and the Iranian government to see if they will peacefully come in line with their obligations.

So, again, I think there was a very clear and direct exchange of views today on the core issues that are at stake here with regard to their nuclear program. That in and of itself is a constructive development. But at the same time, the pressure has only built on the Iranians and we think ultimately that is going to have to be a factor in the decisions that they make. And the decision that is the right one for them and for the international community is for them to come in line with their international obligations.

Norah.

Q How did Putin say he was willing to help with the political transition?

AMBASSADOR McFAUL: Again, they had a long discussion about our national interest, Russia's national interest, and the interest of the international community in dealing with this crisis, and in particular, realizing what options are available today, not what options might have been available six months ago or three years ago. And that discussion was very -- I thought very productive, pretty candid, and I think it was important for both leaders to hear from the top person in both governments what our position is on that.

They discussed at length different modalities, different outcomes, different means to get to the ends that Ben already has described -- and with an open door. It was let's discuss again

we've had, as you know, quite a bit of traffic, including in Moscow and elsewhere -- discussions with the Russians already, and I think this discussion will give new impetus to try to do that -- I would say right now focusing on trying to do whatever we can to be behind what Mr. Annan has already offered.

So I suspect you'll see quite a few -- other interactions to follow up on the specifics in the coming days and weeks -- more days than weeks, probably.

Q What do you mean by that? What do you mean -- following up on what in the next couple days? On a transition that Russia would support?

AMBASSADOR McFAUL: Political process.

MR. RHODES: I think what Mike references here is that you need to set up a framework for a political transition -- what is the process by which you bring the Syrian government and opposition to the table; what is the process by which the international community participates. And so there needs to be a framework for this transition.

And we've been having discussions with the Russians but other countries in the United Nations as well about how do you set that up; how does the international community through Kofi Annan's framework support a process within Syria that brings about political change. And so I think what you'll see in the coming days is continued discussions at the international level, and the United Nations as the lead entity in bringing about this framework. They'll be in the lead as it relates to building this framework. And the United States will continue to talk to Russia and other countries about how can we support that.

At the same time, we're talking to Syrian opposition about how they can further coalesce and how they can put forward their ideas for an inclusive transition within Syria that ultimately results in a democratic government.

So there are a lot of moving parts here that need to be channeled into a political process that brings about the change within Syria that can help bring about an end to violence and bring about a government that reflects a world of people.

Q I guess I'm just trying to put a finer point on this. Did Russia agree to back a new U.N. Security Council resolution? Did they agree to end arms sales?

MR. RHODES: The Russians believe that the framework exists within the Annan plan for a political process within Syria. And one of the points of the Annan plan highlights the need for a political process within the country. Our point has been that's been overlooked, that's been neglected in the last several months. All the focus has been on getting U.N. monitors into the country. The focus has been on the ceasefire elements. And our point is a ceasefire -- first of all, it's not holding, because the Assad regime can't be trusted to live up to its obligations. Secondly, by itself it won't solve the problem, because something fundamental has changed within Syria; it demands more than a ceasefire. It demands a change in the politics of the country. It demands a political transition.

So, again, Russia accepts the fact that that needs to go forward. We're going to explore with the United Nations, other countries and the Syrian people how to set up that type of politics process. We've also said that if that doesn't work, if you don't see progress within the framework of the Annan plan sooner rather than later, we're not foreclosing additional discussions at the U.N. Security Council. And we're also going to continue our efforts through the "Friends of Syria" group to provide assistance to the Syrian opposition, to help them coalesce. So we're working on multiple lines of effort here. We still think the best outcome, and the outcome that has the best chance at bringing about an end to violence, is an international community that comes together behind a U.N.-brokered process that can bring about a transition in the country.

Q Ben, I think Mike said earlier we shouldn't read too much into the body language. Let me ask you both about something else -- and the pool reporter said -- who was there and was able to witness some of this said that President Putin spoke about two and a half minutes compared to 10 minutes for President Obama, and that when you look at the actual -- some of the things they actually said, it looked like President Obama mentioned some specifics but President Putin was fairly curt or perfunctory and said, just from my perspective, we've able to find many commonalities pertaining to all these issues. What should we read into that?

MR. RHODES: Well, I'd say a couple things and hand it over to Mike. The first thing I'd note is that this isn't the first "body-language-gate" that we've had with the Russians. When we were in Deauville, President Medvedev, who President Obama has a great personal relationship with and one that I think we would describe as a friendship, there was a similar report that there was this body language, and it must be a huge problem. These are business-like conversations between the United States government and the Russian government. So they're candid and business-like. That tends to be the demeanor of the Russians.

I can't speak to President Putin's style, but Mike may be able to speak a little bit more to the second part of your question.

Q Ben, you just sort of indicated, though, that there's a difference between a very personal, warm relationship that you just described between Medvedev and --

MR. RHODES: Well, that's a relationship that built up over years, right? So President Medvedev and President Obama met over 10 times I think, probably, over the course of three years by the time we got to Deauville.

This is the first meeting between the two Presidents. And look, it went for two hours. It went far longer than was scheduled. That's because they felt like they were making progress, and they felt like it was worth the discussions. And it was worth having a full and candid exchange of views.

So I think that the nature of the U.S.-Russia relationship is it's business-like. We agree on some things, we disagree on others, and we're candid in those disagreements. We're not going to put aside our differences; we're going to raise them directly with one another.

But that's not going to change the fact that we supply our troops in Afghanistan through Russia. It's not going to change the fact that we're locking down nuclear weapons around the world with Russia; that we have a comprehensive arms agreement that allows verification of our respective nuclear arsenals. So we can cooperate, even as we have those differences.

And I think the body language reflects the fact that they had a constructive meeting. They discussed a wide range of issues. Nothing between the two leaders in particular, but Mike, I don't know if you want to add anything.

AMBASSADOR McFAUL: Yes, just briefly, because we're all getting to know President Putin again. Go back and look at the tape of when he met with Obama the last time. You'll see exactly the same body language -- I have.

And it's just -- that's just his style. And I really would encourage you not to over-read how somebody is sitting as an indication of where the relationship is -- because the relationship, the discussion of the relationship was real. And let's be clear -- we've been working with President Medvedev for three years very productively. We didn't know, exactly, how President Putin would come into -- what would be his top line in terms of his presentation about the reset. And it was categorically clear that from his perspective he intends to continue what he sees as a positive trajectory.

And they talked about this, by the way, not to be counted in terms of weeks and months, but years and decades -- that they're trying to do something fundamentally different. Whether they succeed or not, we'll judge over time. And I want to emphasize a point that Ben made, that they both said, we need to be able to have disagreements about certain issues and continue our progress and cooperation in other issues.

And when you looked at the full spectrum of the relationship, they both were impressed by how much is moving in a positive way.

Q If I could just follow up about the statement -- forget the body language for a moment -- but the statement itself seemed short and perfunctory, wasn't specific. He could have sent a signal publicly maybe that there was a little more specifics they'd read on or something. I'm just wondering, would you read anything into that?

AMBASSADOR McFAUL: I would not. Again, I would get used to a different style of a leader. He doesn't believe -- well, I don't want to speak for him, and I don't want to psychoanalyze everything he did there, but I've watched a lot of his press briefings and press conferences with other leaders -- nothing extraordinary about that. We do it a little bit differently, but I would not over-read anything into the fact that it was a short statement.

MR. RHODES: And just one more thing on that. I'd also note -- those who have followed President Putin's career -- that when he feels like it was a bad meeting, he'll let you know at some length. So you have seen in the past him be very vocal about the fact that he felt

like there was an irritant that he wanted to highlight in his comments. So I can't speak for his particular motivation, but I do think it's worth noting that this is not somebody who would fail to speak up if he felt like there was something that was bothering him.

Helene.

Q At risk of belaboring this body language issue, just one more quick thing. Were there any moments of levity between these guys? They were in there for two hours; that's a long time. Was there anything at all? And separately, can you just expand a little bit on what was said about missile defense?

AMBASSADOR McFAUL: Sure. So what was interesting to me -- as somebody who's observed lots of these meetings with the President Medvedev, and has been on a number of occasions with the Prime Minister and now President Putin -- this was not a checklist meeting where they had 27 issues and they walk through everything. They were talking about the most important things in a most substantive way. So the fact that the meeting went for two hours, that was because they were talking about Syria and they didn't want to stop talking about Syria; and that both leaders, really on both sides, wanted to make sure that the other side of the table understood the true motivations for what they're trying to do and what they're trying not to do.

And on the Russian side, if I could speak just more generally, there's a bit of a frustration on their side that the whole conversation about Syria is about Assad must go or not. They want to have a bigger discussion of that. They want to say, well, what happens the day after? And so when they use the word "political process," that's -- they want to broaden our aperture. They want to broaden the discussion.

And in conversation, including the conversation today, the Presidents jump around the world and talk about different scenarios and different historical case studies -- that was done today. And the Russians want to remind us that the day after the fall of a leader in country X, Y or Z, that the political transition, the political process goes on. And that's what --

Q What else did they bring up?



AMBASSADOR McFAUL: They talked about Yemen. They talked about Egypt. They talked about the current world as it is. And that was the broader context within which they discussed the Syria case.

With respect to missile defense, the discussion was -- again, it was important for President Putin to hear our set of arguments about what we're seeking to do and what we're not seeking to do with respect to missile defense. And from the Russian point of view, it was important for them to be able to articulate why this is a -- we have to think strategically and long term, and not just about the -- what we do in the coming weeks or months. And we agreed we can do this. This is an issue that we can manage. That was the impression I came out of the meeting with.

MR. CARNEY: Couple of things. I want to give a brief readout. I just got a readout of the President's meeting with Chancellor Merkel. And then I'd like to say, if anyone has additional questions for Lael Brainard, if we could address them to her now because she has to leave for a meeting.

Let me give that brief readout: The meeting was constructive. The President was encouraged by what he heard regarding ongoing discussions in Europe about the paths they are pursuing to address the crisis. The two leaders agreed to work closely together, including at this G20, to build support for what needs to be done in Europe and the world to stabilize the situation, and support growth and jobs. The two leaders talked about the importance of taking steps to promote financial stability and increase European integration. They also had a short discussion about Syria. The meeting lasted approximately 45 minutes.

And with that, if anyone has any questions for Lael, maybe, Ben, you can facilitate.

Q Ms. Brainard, given the Chancellor's comments this morning about changing terms of the package in Greece, is there anything, in any other parameters or any reason to believe that the German government and the other European governments are looking to ease things for the southern countries such as Greece, Italy, Spain, Portugal that are -- that we can see something that will allow them to be less austere?

UNDER SECRETARY BRAINARD: Yes, I think we can expect to see, on the part of the European partners and the IMF, recognition that Greece's program has gone off-track for some period of time, in part because they had a protracted political process and have not

had a government. And there is always, in stabilization programs, financial, fiscal and structural reform programs, the ability to recognize that you need to give some more time, recognizing that economic outcomes didn't come out quite the way it was originally projected.

So I think there is ample room for both sides to sit back down, recognizing the world has been somewhat more adverse, and the Greek government has not been in a position to be moving forward for this period of time in which the government was unable to form and find a way forward that is still very much consistent with the reform commitments that were taken on. Those are reform commitments that will have to essentially be undertaken in any circumstances. It's going to be very important to restore competitiveness to the Greek private sector, for instance, in order to see Greece grow again.

So the basic reforms, I think, are going to be important regardless. But there is a time dimension and there is a dimension of recognizing that growth has been weaker than anticipated. So there's room, I think, for both sides to move forward, and that's certainly what we're going to support.

Q Yes, thank you. Lael, you talked about the G20's commitment to all-necessary measures. And I know you have outlined what you believe to be all-necessary measures -- you talked about them today and last week. Are you convinced that Germany is convinced that you share the idea of what those all-necessary measures are?

UNDER SECRETARY BRAINARD: The conversations in the room have been very specific. The Europeans -- all the large Euro-area members, most of them are here, and so they've been able to share with us the state of their debate. And again, I think we'll see both in terms of the leaders' statements but also the actual communiqué language, that when they are talking about taking all-necessary measures to preserve the integrity and stability of the euro area to break the link between sovereigns and banks, these are language commitments that you'll see I think in the communiqué, and you'll see them putting flesh on the bones in the weeks ahead -- again, focused on those same priorities that we think are extraordinarily important to chart a path forward for a more resilient euro area.

And there's a lot more specificity to those conversations right now, and it's clear that there's a very active debate about how to move forward on those things. Some of the medium-term reforms that they're talking about involve a really very significant step forward on integration. And so these are moves that are going to require political reforms

as well as financial reforms. And so they will take some time. They will require a great deal of political commitment, and we have seen that commitment in these discussions. What we are still hearing as they go forward are the specific details about how they plan to pursue each of those four areas.

Q If you could expand just a little bit on the meeting -- President Obama and the eurozone tonight? Why do you think the President needs to be there? Do you think his diplomatic skills will be helpful? And if you could just, on Russia, come back on the Magnitsky bill and the human rights.

MR. RHODES: Sure. On the eurozone meeting, I think that what has often developed in the course of these summits is a belief that often you can continue to have spinoff conversations in sessions outside of the formal plenaries and working dinners. So in Cannes, the eurozone leaders sat down with President Obama after dinner to continue discussions about the situation in the eurozone at that point. In Camp David, in addition to the formal meetings, President Obama had many discussions with different European leaders, including in some multilateral settings, about the eurozone and the global economy.

And given the fact that we weren't going to be able to see many of these leaders bilaterally, we just were able to set up the meeting with Chancellor Merkel very late in the process today, for instance. It's a good opportunity for him to sit down with his European counterparts. And the dinner discussion is on the global economy, and the eurozone will be a key part of that. So I think they'll continue those discussions in a smaller setting afterwards.

Again, our view has been the Europeans are ultimately going to make these decisions. This summit, for instance, is not a summit where Europe will announce how they're going to resolve a set of issues. It's an international summit that doesn't include many members of the eurozone. And we recognize that the Europeans have a meeting, an EU meeting, later this month, for instance, that they're preparing for.

What it is, is an opportunity for the G20 nations, including the United Nations -- the United States to hear from European leaders about what their thought process is, what the steps that they've taken to date have done, what additional steps they're considering going forward. Our role in that process is to hear from them, to offer our own experience as an example of the different steps that can be done in areas to deal with the fiscal crisis.

And we're very familiar now with the different European positions and are able to I think engage in a constructive way with the recognition that it's ultimately a European challenge that will be solved by Europeans, with European political, European resources.

But, again, we and the G20 nations have a role in supporting that process, both through how we support global economic stability broadly, but also how the United States has, again, the lessons of our own experience, the types of technical expertise we can provide in different areas.

So I think it's a dialogue the President has been having with his European counterparts for two years now -- on the phone, in meetings, in multilateral settings. And that will just continue tonight.

AMBASSADOR McFAUL: Can I say something on Magnitsky?

MR. RHODES: Oh, yes --

AMBASSADOR McFAUL: Just quickly on Magnitsky, the actual facts of the case in the wrongful death were discussed, as well as the legislation.

MR. RHODES: And our position on that is that the -- we would like to see Jackson-Vanik repealed. We would like to see permanent, normal trade relations with Russia, because we think, from an economic perspective, that's good for the United States, it's good for U.S. businesses, it's good for U.S. workers, it'll create jobs in the United States. So we'd like to see that done on its own.

Separately, we are in discussions with Congress about the bill that they have going forward about the circumstances around Mr. Magnitsky's tragic death. And again, we will be working with them to support that process and to support human rights in Russia on a different track from our efforts to repeal Jackson-Vanik.

Q Thank you.

MR. RHODES: Thanks, everybody.

END

3:40 P.M. MDT