

your hands, guys—right here. We appreciate you.

In these difficult times, our country will be stronger if management and workers come together to resolve disputes and work together to provide quality service. And workers should never be punished for demanding the right to collectively bargain. That's not right; we won't stand for it.

And finally, we need these four leaders to help us restore fiscal discipline in Washington so we don't leave our children and grandchildren with a mountain of debt. These are some of the leaders in trying to get Washington to take those responsibilities seriously. Already, my administration has identified more than 100 Government programs that we can reduce or eliminate, save \$17 billion next year alone. We're going line by line through the budget, page by page, looking for even more cuts.

I've personally asked the leadership in Congress to reinstate the pay-as-you-go rule that we followed during the 1990s, a rule that will help start, a rule that helped us start this new century with a \$236 billion surplus. You remember that? The idea is very simple: You don't spend what you don't have. If you want to spend, you need to find someplace else to cut. That's the rule that families across this country follow every single day, and there's no

reason why their Government shouldn't do the same.

So look, Indiana, we're living through some extraordinary times. We didn't ask for the challenges we face, but we're determined to answer the call to meet them, to cast aside the old arguments, overcome the stubborn divisions, to move forward as one people.

It won't be easy, and there's going to be setbacks. It's going to take time. This is going to be a hard year, and next year is not going to be so easy either. But I promise you that we will get through this. I'll always tell you the truth about the challenges we face and the steps that we're taking, and I'll continue to measure my progress by the progress the American people are seeing in their own everyday lives.

And if you stand with me, if you stand with Andre Carson and Joe Donnelly and Brad Ellsworth and Baron Hill—[*applause*]*—then I know we will look back on this moment, at the time that we came together to reclaim America's future, to write the next great chapter in the American story.*

Thank you, everybody. God bless you. God bless America.

NOTE: The President spoke at 6:36 p.m. at the Westin Indianapolis. Audio was not available for verification of the content of these remarks.

Remarks Following a Meeting With Prime Minister Benjamin Netanyahu of Israel and an Exchange With Reporters May 18, 2009

President Obama. Well, listen, I first of all want to thank Prime Minister Netanyahu for making this visit. I think we had an extraordinarily productive series of conversations, not only between the two of us, but also at the staff and agency levels.

Obviously, this reflects the extraordinary relationship, the special relationship between the United States and Israel. It is a stalwart ally of the United States. We have historical ties, emotional ties. As the only true democracy in the Middle East, it is a source of admiration and inspiration for the American people.

I have said from the outset that when it comes to my policies towards Israel and the Middle East that Israel's security is paramount, and I repeated that to Prime Minister Netanyahu. It is in U.S. national security interests to assure that Israel's security as an independent Jewish state is maintained.

One of the areas that we discussed is the deepening concern around the potential pursuit of a nuclear weapon by Iran. It's something the Prime Minister has been very vocal in his concerns about, but is a concern that is shared by his countrymen and women across the political spectrum.

I indicated to him the view of our administration that Iran is a country of extraordinary history and extraordinary potential; that we want them to be a full-fledged member of the international community and be in a position to provide opportunities and prosperity for their people, but that the way to achieve those goals is not through the pursuit of a nuclear weapon. And I indicated to Prime Minister Netanyahu in private what I have said publicly, which is that Iran obtaining a nuclear weapon would not only be a threat to Israel and a threat to the United States, but would be profoundly destabilizing in the international community as a whole and could set off a nuclear arms race in the Middle East that would be extraordinarily dangerous for all concerned, including for Iran.

We are engaged in a process to reach out to Iran and persuade them that it is not in their interest to pursue a nuclear weapon and that they should change course. But I assured the Prime Minister that we are not foreclosing a range of steps, including much stronger international sanctions, in assuring that Iran understands that we are serious. And obviously, the Prime Minister emphasized his seriousness around this issue as well. And I'll allow him to speak for himself on that subject.

We also had an extensive discussion about the possibilities of restarting serious negotiations on the issue of Israel and the Palestinians. I have said before and I will repeat again that it is, I believe, in the interest not only of the Palestinians, but also the Israelis and the United States and the international community, to achieve a two-state solution in which Israelis and Palestinians are living side by side in peace and security.

We have seen progress stalled on this front, and I suggested to the Prime Minister that he has a historic opportunity to get a serious movement on this issue during his tenure. That means that all the parties involved have to take seriously obligations that they've previously agreed to. Those obligations were outlined in the roadmap; they were discussed extensively in Annapolis. And I think that we can—that there is no reason why we should not seize this opportunity and this moment for all the parties concerned to take seriously those obligations and to

move forward in a way that assures Israel's security, that stops the terrorist attacks that have been such a source of pain and hardship, that we can stop rocket attacks on Israel, but that also allow Palestinians to govern themselves as an independent state, that allows economic development to take place, that allows them to make serious progress in meeting the aspirations of their people. And I am confident that in the days, weeks, and months to come, that we are going to be able to make progress on that issue.

So let me just summarize by saying that I think Prime Minister Netanyahu has the benefit of having served as Prime Minister previously. He has both youth and wisdom—

Prime Minister Netanyahu. I'll dispute youth, but that's good.

President Obama. —and I think is in a position to achieve the security objectives of Israel, but also bring about a historic peace. And I'm confident that he's going to seize this moment. And the United States is going to do everything we can to be constructive, effective partners in this process.

Mr. Prime Minister.

Prime Minister Netanyahu. President Obama, thank you. Thank you for your friendship to Israel and your friendship to me. You're a great leader, a great leader of the United States, a great leader of the world, a great friend of Israel, and someone who is acutely cognizant of our security concerns. And the entire people of Israel appreciate it, and I speak on their behalf.

We met before, but this is the first time that we're meeting as President and as Prime Minister. And so I was particularly pleased in your reaffirmation of the special relationship between Israel and the United States. We share the same goal, and we face the same threats. The common goal is peace. Everybody in Israel, as in the United States, wants peace. The common threat we face are terrorist regimes and organizations that seek to undermine the peace and endanger both our peoples.

In this context, the worst danger we face is that Iran would develop nuclear military capabilities. Iran openly calls for our destruction, which is unacceptable in any standard. It threatens the moderate Arab regimes in the Middle

East. It threatens U.S. interests worldwide. But if Iran were to acquire nuclear weapons, it could give a nuclear umbrella to terrorists, or worse, it could actually give terrorists nuclear weapons. And that would put us all in great peril. So in that context, I very much appreciate, Mr. President, your firm commitment to ensure that Iran does not develop nuclear military capability, and also your statement that you're leaving all options on the table.

I share with you very much the desire to move the peace process forward. And I want to start peace negotiations with the Palestinians immediately. I would like to broaden the circle of peace to include others in the Arab world, if we could, Mr. President, so this—[*inaudible*]*—*but one that we shouldn't let go, may be peace with the entire Arab world.

I want to make it clear that we don't want to govern the Palestinians. We want to live in peace with them. We want them to govern themselves, absent a handful of powers that could endanger the state of Israel. And for this there has to be a clear goal. The goal has to be an end to conflict. There will have to be compromises by Israelis and Palestinians alike. We're ready to do our share. We hope the Palestinians will do their share as well. If we resume negotiations, as we plan to do, then I think that the Palestinians will have to recognize Israel as a Jewish state, will have to also enable Israel to have the means to defend itself. And if those conditions are met, Israel's security conditions are met, and there's recognition of Israel's legitimacy, its permanent legitimacy, then I think we can envision an arrangement where Palestinians and Israelis live side by side in dignity, in security, and in peace.

And I look forward, Mr. President, to working with you, a true friend of Israel, to the achievement of our common goals, which are security, prosperity, and above all, peace.

President Obama. Thank you. We're going to take a couple of questions. We're going to start with Steve [Steven Hurst, Associated Press].

Iran

Q. Mr. President, you spoke at length, as did the Prime Minister, about Iran's nuclear program. Your program of engagement, policy of engagement, how long is that going to last? Is there a deadline?

President Obama. You know, I don't want to set an artificial deadline. I think it's important to recognize that Iran is in the midst of its own elections. As I think all of you, since you're all political reporters, are familiar with, election time is not always the best time to get business done. Their elections will be completed in June, and we are hopeful that, at that point, there is going to be a serious process of engagement, first through the P-5-plus-one process that's already in place, potentially through additional direct talks between the United States and Iran.

I want to reemphasize what I said earlier, that I believe it is not only in the interest of the international community that Iran not develop nuclear weapons, I firmly believe it is in Iran's interest not to develop nuclear weapons, because it would trigger a nuclear arms race in the Middle East and be profoundly destabilizing in all sorts of ways. Iran can achieve its interests of security and international respect and prosperity for its people through other means, and I am prepared to make what I believe will be a persuasive argument that there should be a different course to be taken.

The one thing we're also aware of is the fact that the history, at least, of negotiations with Iran, is that there is a lot of talk but not always action and followthrough. And that's why it is important for us, I think, without having set an artificial deadline, to be mindful of the fact that we're not going to have talks forever. We're not going to create a situation in which talks become an excuse for inaction while Iran proceeds with developing a nuclear—and deploying a nuclear weapon. That's something, obviously, Israel is concerned about, but it's also an issue of concern for the United States and for the international community as a whole.

My expectation would be that if we can begin discussions soon, shortly after the Iranian

elections, we should have a fairly good sense by the end of the year as to whether they are moving in the right direction and whether the parties involved are making progress and that there's a good faith effort to resolve differences. That doesn't mean that every issue would be resolved by that point, but it does mean that we'll probably be able to gauge and do a reassessment by the end of the year of this approach. Okay?

Do you want to call on of your—

U.S. Foreign Policy in the Middle East

Q. Thank you, Mr. President. Aren't you concerned that your outstretched hand has been interpreted by extremists, especially Ahmadinejad, Nasrallah, Meshal, as weakness? And since my colleague already asked about the deadline, if engagement fails, what then, Mr. President?

President Obama. Well, it's not clear to me why my outstretched hand would be interpreted as weakness.

Q. Qatar, an example.

President Obama. I'm sorry?

Q. The example of Qatar. They would have preferred to be on your side, and then moved to the extremists, to Iran.

President Obama. Oh, I think—yes, I'm not sure about that interpretation. Look, we've been in office a little over a hundred days now, close to 4 months. We have put forward a clear principle that where we can resolve issues through negotiations and diplomacy, we should. We didn't expect, and I don't think anybody in the international community or anybody in the Middle East, for that matter, would expect that 30 years of antagonism and suspicion between Iran and the United States would be resolved in 4 months. So we think it's very important for us to give this a chance.

Now, understand that part of the reason that it's so important for us to take a diplomatic approach is that the approach that we've been taking, which is no diplomacy, obviously, has not worked. Nobody disagrees with that. Hamas and Hizballah have gotten stronger. Iran has been pursuing its nuclear capabilities undiminished. And so not talking, that clearly hasn't worked. That's what's been tried. And so what

we're going to do is try something new, which is actually engaging and reaching out to the Iranians.

The important thing is to make sure that there is a clear timetable of at which point we say these talks don't seem to be making any serious progress. It hasn't been tried before, so we don't want to prejudge that, but as I said, by the end of the year, I think we should have some sense as to whether or not these discussions are starting to yield significant benefits, whether we're starting to see serious movement on the part of the Iranians.

If that hasn't taken place, then I think the international community will see that it's not the United States or Israel or other countries that are seeking to isolate or victimize Iran. Rather, it is Iran itself, which is isolating itself by willing to—being unwilling to engage in serious discussions about how they can preserve their security without threatening other people's security, which, ultimately, is what we want to achieve.

It would—we want to achieve a situation where all countries in the region can pursue economic development and commercial ties and trade and do so without the threat that their populations are going to be subject to bombs and destruction. That's what I think the Prime Minister is interested in, that's what I'm interested in, and I hope that ends up being what the ruling officials in Iran are interested in as well.

Don Gonyea [National Public Radio]. Where's Don?

Middle East Peace Process

Q. Right here. Thank you. Mr. President, Mr. Prime Minister, can you each react to King Abdullah's statement of a week ago that we really are at a critical place in the conflict, and that if this moment isn't seized and if a peace isn't achieved now, soon, that in a year, year and a half, we could see renewed major conflict, perhaps war? And do you agree with that assessment?

President Obama. Why don't you start?

Prime Minister Netanyahu. I think we have to seize the moment, and I think we're fortunate in having a leader like President Obama and a new Government in Israel and perhaps a

new understanding in the Arab world that I haven't seen in my lifetime. And you're very kind to be calling me young, but I'm more than half a century old, and in my 59 years in the life of the Jewish state, there's never been a time when Arabs and Israelis see a common threat the way we see it today and also see the need to join together in working towards peace while simultaneously defending ourselves against this common threat.

I think we have ways to capitalize on this sense of urgency, and we're prepared to move with the President and with others in the Arab world if they're prepared to move as well. And I think the important thing that we discussed, among other things, is how to buttress the Israeli-Palestinian peace tracks, which we want to resume right away, with participation from others in the Arab world, how we give confidence to each other that we're changing the reality, changing the reality on the ground, changing political realities top-down as well, while we work to broaden the circle of peace. So I think that the sense of urgency that King Abdullah expressed is shared by me and shared by many others, and I definitely know it's shared by President Obama.

President Obama. Look, I think there's an extraordinary opportunity, and the Prime Minister said it well. You have Arab States in the region—the Jordanians, the Egyptians, the Saudis—who, I think, are looking for an opportunity to break this long-standing impasse but aren't sure how to do it and share concerns about Iran's potential development of a nuclear weapon. In order for us to, potentially, realign interests in the region in a constructive way, "bolstering," to use the Prime Minister's word, the Palestinian-Israeli peace track is critical.

It will not be easy. It never has been easy. In discussions, I don't think the Prime Minister would mind me saying to him—or saying publically what I said privately, which is that there is a recognition that the Palestinians are going to have to do a better job providing the kinds of security assurances that Israelis would need to achieve a two-state solution; that, you know, the leadership of the Palestinians will have to gain additional legitimacy and credibil-

ity with their own people and delivering services. And that's something that the United States and Israel can be helpful in seeing them accomplish.

The other Arab States have to be more supportive and be bolder in seeking potential normalization with Israel. And next week, I will have the Palestinian Authority President, Abbas, as well as President Mubarak, here, and I will deliver that message to them.

Now, Israel is going to have to take some difficult steps as well. And I shared with the Prime Minister the fact that under the road-map and under Annapolis that there's a clear understanding that we have to make progress on settlements, that settlements have to be stopped in order for us to move forward. That's a difficult issue. I recognize that, but it's an important one, and it has to be addressed.

I think the humanitarian situation in Gaza has to be addressed. Now, I was along the border in Sderot and saw the evidence of weapons that had been raining down on the heads of innocents in those Israeli cities, and that's unacceptable. And so we've got to work with the Egyptians to deal with the smuggling of weapons, and it has to be meaningful, because no prime minister of any country is going to tolerate missiles raining down on their citizens' heads.

On the other hand, the fact is, is that if the people of Gaza have no hope, if they can't even get clean water at this point, if the border closures are so tight that it is impossible for reconstruction and humanitarian efforts to take place, then that is not going to be a recipe for Israel's long-term security or a constructive peace track to move forward.

So all these things are going to have to come together, and it's going to be difficult, but the one thing that I've committed to the Prime Minister is, we are going to be engaged. The United States is going to roll up our sleeves; we want to be a strong partner in this process.

I have great confidence in Prime Minister Netanyahu's political skills, but also his historical vision and his recognition that during the years that he is Prime Minister this second go-around, he is probably going to be confronted with as many important decisions about the

long-term strategic interests of Israel as any Prime Minister that we've seen in a very long time. And I have great confidence that he's going to rise to the occasion, and I actually think that you're going to see movement in—among Arab States that we have not seen before.

But the trick is to try to coordinate all this in a very delicate political environment. And that's why I'm so pleased to have George Mitchell, who is standing behind the scrum there, as our special envoy, because I'm very confident that as somebody who was involved in equally delicate negotiations in Northern Ireland, he is somebody who recognizes that if you apply patience and determination and you keep your eye on the long-term goal that the Prime Minister articulated, which is a wide-ranging peace, not a grudging peace, not a transitory peace, but a wide-ranging, regional peace, that we can make great progress. Okay?

Israel/Iran/Palestinian Authority

Q. Mr. President, the Israeli Prime Minister and the Israeli administration have said on many occasions—on some occasions that only if the Iranian threat will be solved, they can achieve real progress on the Palestinian threat. Do you agree with that kind of linkage?

And to the Israeli Prime Minister, you were speaking about the political track. Are you willing to get into final status issues, negotiations like borders, like Jerusalem, in the near future, based on the two-states solution? And do you still hold this opinion about the linkage between the Iranian threat and your ability to achieve any progress on the Palestinian threat?

President Obama. Well, let me say this. There's no doubt that it is difficult for any Israeli Government to negotiate in a situation in which they feel under immediate threat. That's not conducive to negotiations. And as I've said before, I recognize Israel's legitimate concerns about the possibility of Iran obtaining a nuclear weapon when they have a President who has in the past said that Israel should not exist. That would give any leader of any country pause.

Having said that, if there is a linkage between Iran and the Israeli-Palestinian peace process, I personally believe it actually runs the other way. To the extent that we can make peace with the

Palestinians—between the Palestinians and the Israelis, then I actually think it strengthens our hand in the international community in dealing with a potential Iranian threat.

Having said that, I think that dealing with Iran's potential nuclear capacity is something that we should be doing even if there already was peace between the Israelis and the Palestinians. And I think that pursuing Israeli-Palestinian peace is something that is in Israel's security interests and the United States national security interests, even if Iran was not pursuing a nuclear weapon. They're both important.

And we have to move aggressively on both fronts. And I think that based on my conversations with Prime Minister Netanyahu, he agrees with me that they're both important. That's not to say that he's not making a calculation, as he should, about what are some of the most immediate threats to Israeli's security, and I understand that.

But, look, imagine how much less mischief a Hizballah or a Hamas could do if in fact we had moved a Palestinian-Israeli track in a direction that gave the Palestinian people hope. And if Hizballah and Hamas is weakened, imagine how that impacts Iran's ability to make mischief and vice versa. I mean, so obviously, these things are related, but they are important separately. And I'm confident that the United States, working with Israel, can make progress on both fronts.

Prime Minister Netanyahu. Thank you. We've had extraordinarily friendly and constructive talks here today, and I'm very grateful to you, Mr. President, for that. We want to move peace forward, and we want to ward off the great threats.

There isn't a policy linkage, and that's what I hear the President saying, and that's what I'm saying too. And I've always said, there's not a policy linkage between pursuing simultaneously peace between Israel and the Palestinians and the rest of the Arab world and trying to deal with removing the threat of a nuclear Iran.

There are causal links. The President talked about one of them. It would help, obviously, unite a broad front against Iran if we had peace between Israel and the Palestinians. And conversely, if Iran went nuclear, it would threaten

the progress towards peace and destabilize the entire area and threaten existing peace agreements.

So it's very clear to us. I think we actually—we don't see closely on this; we see exactly eye to eye on this, that we want to move simultaneously and then parallel on two fronts: the front of peace and the front of preventing Iran from acquiring nuclear capabilities.

On the front of peace, the important thing for me is to resume negotiations as rapidly as possible, and to—and my view is less one of terminology, but one of substance. And I ask myself, what do we end up with? If we end up with another Gaza—the President has described to you there's rockets falling out of Gaza—that is something we don't want to happen, because a terror base next to our cities that doesn't call—recognize Israel's existence, calls for our destruction, and asks for our destruction is not our view of peace.

If, however, the Palestinians recognize Israel as the Jewish state, if they fight terror, if they educate their children for peace and to a better future, then I think we can come at a substantive solution that allows the two peoples to live side by side in security and peace

and, I add, prosperity, because I'm a great believer in this.

So I think the terminology will take care of itself, if we have the substantive understanding. And I think we can move forward on this. I have great confidence in your leadership, Mr. President, and in your friendship to my country and in your championing of peace and security. And the answer is, both come together; peace and security are intertwined. They're inseparable.

And I look forward, Mr. President, to working with you to achieve both.

President Obama. Good. Thank you, everybody.

NOTE: The President spoke at 1:21 p.m. in the Oval Office at the White House. In his remarks, he referred to President Mohamed Hosni Mubarak of Egypt; U.S. Special Envoy for Middle East Peace George J. Mitchell; and President Mahmud Ahmadi-nejad of Iran. Prime Minister Netanyahu referred to King Abdullah II of Jordan. A reporter referred to Hassan Nasrallah, leader of the Lebanese political-paramilitary organization Hizballah; and Khaled Meshal, leader of the Palestinian political-paramilitary organization Hamas.

Statement on Haitian Flag Day

May 18, 2009

The United States and Haiti share a deeply intertwined history and a long standing friendship. In 1779, freemen from the French colony of Saint Domingue, now the Republic of Haiti, came to the aid of American patriots fighting for freedom at the Siege of Savannah. Today, we remain connected by a Haitian American community that contributes greatly to the economic, social, cultural, scientific, and

academic fabric of the United States and by my administration's steadfast commitment to come to the aid of those in Haiti working to ensure that Haiti's future is stable, sustainable, and prosperous. On this Haitian Flag Day, I am proud to send my warm wishes and those of the American people to the people of Haiti and the Haitian Diaspora as they celebrate during Haitian Heritage Month.

Remarks on Fuel Efficiency Standards

May 19, 2009

Thank you very much. Thank you. Please, everybody have a seat. What an extraordinary day. The sun is out because good things are happening. Before I get started, just some

preliminary introductions, I'll probably repeat them in my formal remarks, but I want to make sure that I acknowledge some people who have been critical to this effort and