

Exchange With Reporters Aboard Air Force One November 14, 2010

The President. All right, what do you got?

President's Visit to Asia

Q. Highlight of trip for you, sir?

The President. What's that?

Q. What's your takeaway from the trip? What's your sense of—

The President. You know, the—a couple of things. Number one, I think all of Asia is eager for American engagement and leadership. We saw that in India, we saw it in Indonesia, we saw it in—during the G-20, and we saw it during APEC.

And it wasn't just from leaders. I was struck when I was at the first school that we went to in Mumbai, and those young kids who were talking about the environment and green technology. On the way down, I said, "Well, what are you guys' plans?" "Well, we're of course going to go to college." I said, "Where are you going to go?" "Well, America, of course."

And so I think that sometimes, because we've gone through a tough couple of years, there's a tendency for us to think that somehow Asia is moving and we're forgotten. And in fact, I think everywhere in Asia, what I heard from leaders and people is that we are still central and they want us there.

Now, the second strong impression is, those folks are moving. Korea, China, India, the entire Southeast Asian region, Japan—all of them recognize how competitive things are and that they are thinking each and every day about how to educate their workforce, rebuild their infrastructure, enter into new markets. And we should feel confident about our ability to compete, but we are going to have to step up our game.

Bipartisanship

Q. Sir, as you look ahead to the coming week, I'm wondering how do you sit down at the table—

The President. I'm sure it will be very relaxing.

Q. Yes. [Laughter] How do you approach a meeting with a Senate Republican leader whose life ambition seems to be to make sure you don't have a second term and an incoming House Speaker apparent whose mantra seems to be "no compromise"?

The President. Campaigning is very different from governing. All of us learn that. And they're still flush with victory, having run a strategy that was all about saying no. But I am very confident that the American people were not issuing a mandate for gridlock. They want to see us make progress precisely because they understand instinctually how competitive things are and how we have to step up our game.

So my expectation is, when I sit down with Mitch McConnell and John Boehner this week, along with the Democratic leaders, that there are a set of things that need to get done during the lame duck, and that they are not going to want to just obstruct, that they're going to want to engage constructively. There are going to be some disagreements. There may be some need for compromise. But we should be able at least to get through the lame duck, making sure that taxes don't go up for middle class families starting January 1, that some of the key business provisions that can assure economic growth get done. And then we're going to have a whole bunch of time next year for some serious philosophical debates. And they should welcome those debates next year.

Strategic Arms Reduction Treaty

Q. How do you get the START Treaty through the lame duck as well? Seems like an uphill battle right now.

The President. You know, actually, I feel reasonably good about our prospects. It was voted out of committee with strong bipartisan support. Senator Lugar is somebody who's made disarmament one of his signature issues. In fact, my first trip overseas was with Dick Lugar to Russia. And we've been in a series of conversations with Senator Kyl, whose top priority is

making sure that the nuclear arsenal that we do have is modernized. I share that goal. We've heard from Senators like McCain and Graham who say they want to see this done.

And I think when we look at how important Russian cooperation has been on issues like Iran sanctions, on issues like transit into Afghanistan for our equipment for our troops, my hope and expectation is that, given this is a good treaty, given it has the support of previous Republican senior Government officials, that we should be able to get it done.

Tax Reform

Q. During the campaign season, you talked about the cost of extending the tax cuts, that that would actually make the U.S. less competitive. Now that you're indicating that you're open to some sort of compromise on the tax cuts, how do you do that and also ensure—

The President. Well, what I've said, Julianna [Julianna Goldman, Bloomberg News], is that I believe it is a mistake for us to borrow \$700 billion to make tax cuts permanent for millionaires and billionaires. It won't significantly boost the economy, and it's hugely expensive. So we can't afford it.

Now, I know this is something that, during the campaign at least, the Republicans expressed some strong feelings about. I want to hear from them how strongly they feel about it, particularly given that they're also saying they want to control the deficit and debt.

And if they feel very strongly about it, then I want to get a sense of how they intend to spend—how they intend to pay for it.

President's Agenda

Q. Mr. President, you said it right after the election in the news conference that you were going to do some reflecting about what it meant. And now you've had this 10 days away, seeing a lot of different people. Can you reflect at all for us about how you might change your agenda, change your style, and how these travels might have affected your thinking?

The President. As I said in the press conference the day after the election, I spent the first 2

years trying to get policy right based on my best judgment about how we were going to deal with the short-term crisis and how we were going to retool to compete in this new global economy.

In that obsessive focus on policy, I neglected some things that matter a lot to people and rightly so: maintaining a bipartisan tone in Washington; dealing with practices like earmarks that are wasteful at a time of—where everybody else is tightening their belts; making sure that the policy decisions that I made were fully debated with the American people and that I was getting out of Washington and spending more time shaping public opinion and being in a conversation with the American people about why I was making the choices I was making.

So I think, moving forward, I'm going to redouble my efforts to go back to some of those first principles. And the fact that we are out of crisis—although still obviously in a difficult time—I think, will give me the capacity to do that.

Anything else?

Israeli Settlements in West Bank and East Jerusalem/Middle East Peace Process

Q. Did you get a chance to see the—look at the new Israeli plans for settlement freeze just yet?

The President. I think it's promising. And so we've been in contact with both the Israelis and the Palestinians to make sure that we use this opportunity to start negotiating as quickly as possible on some of the final status issues that would render the settlement issue moot.

But I commend Prime Minister Netanyahu for taking, I think, a very constructive step. It's not easy for him to do. But I think it's a signal that he's serious, and my hope is, is that he and President Abbas start negotiations immediately.

All right?

White House Press Secretary Robert L. Gibbs

Q. Is Gibbs in line for a Presidential Medal of Freedom for taking on the Indians back there, getting reporters in?

The President. I will say that his foot is still bruised. [Laughter] But it was all for a good cause.

All right, guys.

Q. Thanks a lot, sir.

NOTE: The President spoke at 2:17 p.m., e.d.t., while en route to Joint Base Andrews, MD. In his remarks, he referred to Prime Minister Benjamin Netanyahu of Israel; and President Mah-

moud Abbas of the Palestinian Authority. Audio was not available for verification of the content of these remarks.

Statement on the Hajj and Eid al-Adha November 15, 2010

Michelle and I extend our greetings for a happy Eid al-Adha to Muslims worldwide and wish safe travels to those performing Hajj. This year, nearly 3 million pilgrims from more than 160 countries, including the United States, have gathered in Mecca and neighboring sites to perform the Hajj rituals and stand together in prayer.

On Eid, Muslims around the world will commemorate Abraham's willingness to sacrifice his son and distribute food to those less fortunate, a reminder of the shared values and the common roots of three of the world's major religions.

On behalf of the American people, we extend our best wishes during this Hajj season. *Eid Mubarak* and *Hajj Mabroor*.

Statement on Earmark Reform November 15, 2010

I welcome Senator McConnell's decision to join me and members of both parties who support cracking down on wasteful earmark spending, which we can't afford during these tough economic times. As a Senator, I helped eliminate anonymous earmarks, and as President, I've called for new limitations on earmarks and set

new, higher standards of transparency and accountability. But we can't stop with earmarks, as they represent only part of the problem. In the days and weeks to come, I look forward to working with Democrats and Republicans to not only end earmark spending, but to find other ways to bring down our deficits for our children.

Message to the Senate Transmitting the Hungary-United States Taxation Convention November 15, 2010

To the Senate of the United States:

I transmit herewith, for the advice and consent of the Senate to its ratification, the Convention between the Government of the United States of America and the Government of the Republic of Hungary for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, signed on February 4, 2010, at Budapest (the "proposed Convention") and a related agreement effected by an exchange of notes on February 4, 2010. I also transmit for the information of the Senate the report of the Department of State,

which includes an Overview of the proposed Convention and related agreement.

The proposed Convention and related agreement were negotiated to bring U.S.-Hungary tax treaty relations into closer conformity with current U.S. tax treaty policies. For example, the proposed Convention contains comprehensive provisions designed to address "treaty shopping," which is the inappropriate use of a tax treaty by residents of a third country. The existing Convention with Hungary, signed in 1979, does not contain treaty shopping protections and, as a result, has been abused by third-country investors in recent years. For this rea-