

Administration of Barack H. Obama, 2009

Remarks at the Closing Session of the Jobs and Economic Growth Forum and a Question-and-Answer Session

December 3, 2009

The President. Thank you, everybody. Thank you. Please be seated. We want to make sure we get in as much discussion as possible in the remaining time that we have. I hope everybody enjoyed the breakout sessions. I had the opportunity to attend two of them for quite some time and enjoyed some terrific conversation and some great ideas.

I heard a great deal of challenges this afternoon about—or a great deal this afternoon about the challenges that we're all facing, for businesses large and small, when it comes to trying to create jobs. There's no question that it is difficult out there right now. But we also heard some exciting ideas and proposals for how we can spur hiring today and lay the groundwork for sustainable economic growth in the future, in other words, ideas that help us in the short term but also point us in the direction of rebuilding the country.

I attended two of the sessions, one on infrastructure, where there was broad agreement that the infrastructure in America is not where it needs to be, and we've got enormous investments to make. We got some good, hard-headed feedback from people like Doug Holtz-Eakin and others about how we have to do this more effectively; how can we measure the costs and benefits of infrastructure investment; how can we make sure that shovel-ready actually means shovel-ready; how can there be more effective coordination between Federal, State, and local governments in order to maximize the benefits of our infrastructure spending. And there was considerable amount of discussion about how we can leverage the private sector to boost our infrastructure spending.

We also heard, in the clean energy session that I just left, some terrific ideas about how weatherization and energy efficiency promises immediate impacts on the ground. We can create new jobs, spur enormous amounts of business opportunities for the clean tech sector, but we're also laying the groundwork for energy independence, and we would also, as a consequence of having made those investments, set up the prospect that it would pay for itself from ultimate energy savings.

Now, I will tell you that in the green energy discussion, the clean energy discussion, there was also an acknowledgment that we're not going to be able to maximize the benefits of clean energy investment unless we get settled how we're dealing with carbon and the price of carbon. And we don't want to turn this into a discussion about Congress and legislation, but I think there was all—there was some consensus around the table that if we can focus on the enormous business opportunities there, that in fact, America will benefit and will be able to compete in the next great round of economic growth around the world.

I was not in some of the other meetings, but I've gotten a quick summary. My understanding—that in the business investment and tax session, there were some important ideas put forward about how we can provide additional tax incentives for job growth. For example, Bill McComb, CEO of Liz Claiborne, explained the impact of the expanded business tax breaks that I signed into law a few weeks ago. Before the provisions went into effect, he was planning to close 10 stores. Now he's going to save those 10 and open an additional 25. So that's a good news story, but it's also indicative of how our tax policies can make a difference.

Several participants, including Larry Mishel and Alan Blinder, proposed offering additional tax incentives for job creation. And this concept was raised in a number of the other sessions as well, so it's an idea that we think is worthy of further consideration.

In the small-business discussion, Joe Stiglitz, I think, presented an economic case for how credit markets can fail and deny even good borrowers credit, and put forward some specific ideas about how we can get credit moving again. All the reports that we're getting is that if you are a big corporation right now, the credit markets are working for you; if you are a small business, and in some cases a medium-sized business, even if you are profitable, that you're still seeing credit frozen. And we are going to have to unlock that, and that's going to require an interface between what we're doing on the recovery side and what we're doing on financial regulation and our banking policies.

Angie Shelden—Selden, who runs a company called Arise Virtual Solutions, explained—where are you, Angie? There you are. She explained how she's creating thousands of call-in sales jobs, bringing jobs back to the United States that have gone overseas in the last several years. And she had some very specific ideas about how we could foster more of this reverse job migration, which we're going to take a look at.

Which brings us to the exports session. One of the things that, obviously, in a time of fiscal constraint, that we're constantly looking for is how we can spur job growth here in the United States without spending a whole lot of government money. We're going to need to put public dollars in, but where can we find leverage?

I think everybody agrees that expanding our exports has to be a priority. And this was the major topic when I traveled to Asia several weeks ago. During the session, as I understand it, we heard from Jim Hoffa about the importance of trade strategies that open markets. We heard from Boeing CEO Jim McNerney about the 22,000 small-business suppliers that he relies on to make products and underscoring the fact that if these suppliers—these smaller suppliers aren't getting credit, it's very hard for him to build products for export.

Bob Iger, from Disney, and other business leaders talked about how we can make our businesses more competitive, and some specific ideas were protecting intellectual property and tax policies to promote innovation here at home.

Finally, we heard from a broad cross-section of thinkers about the urgent need for more effective worker training. And Randall Stephenson from AT&T talked about a successful partnership with San Antonio community colleges to train workers for jobs that the company is committed to bringing back from India. And I think we all agreed that we should look to build on these kinds of partnerships to leverage the community college system. We heard from our—in our infrastructure session, we heard that same refrain about the need to train workers effectively.

Randi Weingarten of the AFT suggested a specific idea: community schools, especially in rural areas, where parents can get training after hours in the same place where their kids are learning during the day. And I think that's a terrific idea worth exploring.

Let me just close by saying this. What was striking is the overlap that existed in a lot of these sessions. When we were in the clean energy section, there was an emphasis on how do we get small businesses and small contractors to get certified and get the financing needed to move forward and take advantage of these clean energy sector opportunities.

When we were in the infrastructure section, there was a strong emphasis on needing to plan not just for existing road projects, but also, how do we think about the fact that in the future, we need a cleaner transportation industry.

So there's a lot of overlap between all these different breakout sessions that we engaged in. And it underscores how, despite the fact that we had some breakout sessions, we're going to have to figure out how to break out of these silos and integrate these strategies if we're going to be able to get the most bang for the buck.

So overall, we generated a lot of important ideas. Some of them, I think, we can translate immediately into administration plans and, potentially, legislation. What I want to do, though, is for the remaining part of this jobs forum, just to call on all of you and to see what kinds of ideas maybe I have not highlighted, things that really stood out in the sessions. Or if you didn't have an opportunity to speak, but you've got this burning idea that is really going to set the world on fire, I want to make sure that you've got the opportunity to—[laughter]—that you've got the opportunity to lay it out right now.

So, yes—and please do me a favor and introduce yourself. Some of you I—a lot of you I know, but not everybody in the room knows you.

Health Care Reform

Q. My name is David Barber, from Barber Foods in Portland, Maine. One of the things that we spent a lot of time on was the regulation, from our standpoint, and to your point about not creating regulations and realizing the unintended consequences of those. So that's very important to us as a small manufacturer of food in Portland, Maine.

One of the things that I wanted to make sure—that we didn't get out in my session—was we employ 750 people. We're self-insured. We spend \$4 million every year in health care, self-insured, and we develop programs to have our associates be healthier. We've avoided an extra cost this year of 10 percent in our rise; normally, it's 20 percent. We kept that down to below 10 percent by creating programs to keep our associates more healthy, and we are sharing those with anybody that will listen. So we want to make sure that gets out.

The President. Well, this is not a plant—[laughter]—but let me just point out, obviously, the inefficiencies of our current health system are a drag on the economy and a drag on job growth. And if you, as a small business or a large business, are seeing premiums for your employees going up 15, 20 percent a year—I've had letters from small businesses who said that their policy was jacking up their costs by as much as 48 percent—in those kinds of situations, you're not going to be able to invest in hiring that new worker, because you're trying to keep the worker you've got and provide them coverage.

So it is very important, I think, for us to take steps both legislatively but also on the—in the private sector to improve prevention, improve wellness, bend the cost curve. I actually think that the legislation that we are working—that as we speak, I hope Members of Congress are working on right now—will have that salutary impact.

But you're absolutely right that companies like yours, companies like Safeway, have done some very important, creative work on your own. And the question is, are there ways that we can further incentivize those practices and spread the word to companies all across the economy that you can save money that in turn can be used to reinvest in your businesses? Okay.

Yes, sir.

Transcripts of Forum Discussions

Q. I don't bring an idea, but in reference to silos, is there going to be a document that boils down to different groups so that the people in my group understood what happened in the next group, because they might use ideas from the next group.

The President. Yes. We had extensive note-taking in every one of the sessions, and that will be distributed to all of you. And I want to assure you that this is just the start of this interaction that we're having with you, so you will then have the opportunity to continue to refine a lot of these ideas. We'll probably set up some working groups coming out of this. And the input that we're soliciting from you is going to be continuous. All right?

Frank.

Stabilizing State and Local Governments

Q. Mr. President, I just——

The President. Introduce yourself.

Q. Frank Cownie, the mayor of Des Moines, Iowa. I would emphasize that we feel that it's important that we get targeted fiscal assistance to local government, whether it's through infrastructure projects that we talked about in our group or whether it's energy efficiency block grants or whether it's TIGER grants or whether it's CDBG. Those are all formulas that work and have worked in the past. And I think to get money to where people live, where people work, where the GDP is produced in this country, that we have to target those kinds of opportunities.

The President. Okay. Let me just pick up on this point, and this may have been discussed in some of the groups, but it might not have. As tough as this financial crisis and recession has been on the Federal budget, it has in some cases been worse on State and local government budgets. About a third of the Recovery Act were essentially stabilization funds either for individuals in the form of unemployment insurance or assistance to States so that they didn't have to lay off teachers and firefighters and police officers. We don't get a lot of credit for that. I would point out that some mayors and Governors who were very critical of the Recovery Act nevertheless were very happy to get this money.

But I think that it does raise the point that what we've been able to do this year is to stabilize aggregate demand. And that's been very important to preventing a much more difficult economic environment and a tougher job environment. Next year, we're going to still have some of those challenges, because usually, State and local government revenues lag the recovery as a whole. They may need some more help from the Federal Government. And I think it's important, particularly for business leaders here, to understand that fact, that if you see a complete collapse in State and local government spending on basic needs, that that could create a very bad business climate for all of you. And that's something that we're going to have to consider working on very carefully. Okay?

All right, the gentleman right there.

Availability of Financing

Q. Thank you, Mr. President. My name is Noel Cuellar from Michigan—tough out there. One of the things that we're looking at is—medium-size small businesses—is the ability for financing. You know, every month is looking better; it looks like we're bouncing back. But the

ability to get the financing for the upswing, to buy the raw materials—so we're kind of struggling buying raw materials or hiring people. It's a tough decision.

The President. Well, look, as I said earlier, the credit markets were completely frozen for everybody. Because of extraordinary intervention on our part, the financial panic abated, and some of the credit markets out there thawed. So for a Fortune 100 company right now, you can probably get credit. If you are a small business out there right now, though, it is still very tough.

Now, we have increased SBA loans by about 73 percent. And we are constantly looking for more ways that we can push the banks and the credit markets to get money into the hands of small and medium-sized businesses who create the majority of jobs.

One of the things that—I'm not sure if Secretary Geithner is here, but—there he is, he's in the back. One of the things that I think Tim will testify is that basically, at least every other day I ask him, what are we doing to help credit flow to small and medium-sized businesses? And there is going to be an overlap between what we're doing on the Recovery Act and what we need to do in terms of bank policy, what we're doing—what the Fed is doing in terms of the credit markets.

And one of the things that we're really exploring is how can we help the community banks and smaller banks to loosen up credit. In fairness to them, they're a little bit caught in between, because bank regulators are looking at their books and saying, "Boy, that was a real mess." So they're asking them to increase their capital requirements and tighten up their lending criteria. On the other hand, they've got the President of the United States saying, why aren't you lending more? And so they're a little bit in a fix.

Now, some of that is unavoidable because they really do need to strengthen—you know, the banking sector was in bad shape, and it was overleveraged, and we really did need to take some steps to shore up the banking system. But we have to make sure that we don't overcorrect, and that's something that we're concerned about.

Some of the smaller banks also—although they weren't involved in some of the crazy stuff that was going on on Wall Street, frankly—were just way overextended when it came to the commercial real estate market, built a lot of malls out there, a lot of strip malls out there. And now they're finding that with the commercial real estate market actually not having bottomed out, it's sort of trailing the housing market in terms of problems that it's having. That's having a lot of effect on small banks as well.

The bottom line is this: We know this is a priority. We are pushing as hard as we can to do it in a responsible way. We actually think that by getting financial regulatory reform done, which is currently pending in Congress, that will provide the certainty and the framework available to us so that we can then help these banks more effectively do the right thing than we're doing right now. Okay?

I want to—right behind the gentleman that I just called. I want to make sure that we're getting a little gender equity here in the—no, no, not you. [*Laughter*] Yes, right here. Go ahead.

Agricultural Industry

Q. Thank you, Mr. President. I'm a farmer from Missouri. My name is Rhonda Perry, and I'm representing the National Family Farm Coalition today. And I just wanted to bring your attention—which I know that you understand fully—that there's been a lot of conversation about we need to get the biggest bang for our buck. And many times, in many places around

this country, in rural communities, independent family farmers are the biggest bang for our buck in terms of creating jobs with independent businesses that depend on farmers. From the people we buy our seed from to the people we use to process our meat to the transportation system to haul our grain, we create a lot of jobs in rural Missouri. So we want to make sure that's not overlooked.

And one of the things that you and the First Lady have highlighted is this incredible move that's underfoot where thousands of farmers are producing food for local markets. So we need to make sure that we have the infrastructure in place, from the meat processing to the transportation and storage, to make that a reality, because that really is and could be a reality for us.

And whereas we have tended in the past to put a lot of money into the hands of corporate agribusiness out here in our rural communities, they have not proven to be the bang for the buck that independent family farmers have in terms of job creation that are good-paying and fair jobs in our communities. So thank you for all you're doing on competition and on local food. And we just want to remember that we are a job creator out here. So thank you.

The President. Thank you.

Robert, you had your hand up. Go ahead. Wait for the mike, so everybody can hear you.

National Economy/Federal Deficit

Q. You know, most of the things that have been proposed today cost money. And there is this concern about the Federal deficit. I hope that your administration will recognize, as I know you will, that it's possible, first of all, to reduce the deficit over time and sometimes in the short run realize that you need to increase the deficit. And I hope the concern about the deficit in the long run doesn't crowd out the need for additional spending in the short run.

And I also think that some of these programs that increase jobs and increase GDP are probably the fastest way to get the economy back on a track that will reduce the deficit over time. It's certainly a better way to reduce the deficit than putting ourselves into a debtor's prison and assume we can deflate our way to recovery.

The President. Well, I think this is an important point. We've been talking a lot about specific initiatives. There is a macroeconomic element to this whole thing, and so let me just amplify what was just said. We have a structural deficit that is real and growing, apart from the financial crisis. We inherited it. We're spending about 23 percent of GDP, and we take in 18 percent of GDP, and that gap is growing because health care costs—Medicare and Medicaid in particular—are growing, and we've got to do something about that.

You then layer on top of that the huge loss of tax revenue as a consequence of the financial crisis and the greater demands for unemployment insurance and so forth. That's another layer. Probably the smallest layer is actually what we did in terms of the Recovery Act. I mean, I think there is a misperception out there that somehow the Recovery Act caused these deficits. No. I mean, we had—we've got a 9-point-something trillion-dollar deficit. Maybe a trillion dollars of it can be attributed to both the Recovery Act as well as the cleanup work that we had to do in terms of the banks.

It turns out, actually, TARP, as wildly unpopular as it has been, has been much cheaper than any of us anticipated. So that's not what's contributing to the deficit. We've got a long-term structural deficit that is primarily being driven by health care costs and our long-term entitlement programs. All right, so that's the baseline.

Now, if we can't grow our economy, then it is going to be that much harder for us to reduce the deficit. The single most important thing we could do right now for deficit reduction is to spark strong economic growth, which means that people who've got jobs are paying taxes and businesses that are making profits have taxes, are paying taxes. That's the most important thing we can do. We understand that in this administration. That's not always the dialog that's going on out there in public, and we're going to have to do a better job of educating the public on that.

The last thing we would want to do in the midst of a—what is a weak recovery is us to essentially take more money out of the system either by raising taxes or by drastically slashing spending. And frankly, because State and local governments generally don't have the capacity to engage in deficit spending, some of that obligation falls on the Federal Government.

Having said that, what is also true is that unless businesses and global capital markets have some sense that we've got a plan, medium and long term, to get the deficit down, it's hard for us to be credible, and that also could be counterproductive.

So we've got about as difficult a economic play as is possible, which is to press the accelerator, in terms of job growth, but then know when to apply the brakes in the outyears, and do that credibly. And we are trying to strike that balance, but we're going to need help from all of you who oftentimes are more credible than politicians in delivering that message, because we want to leverage whatever public dollars are spent, and we are under no illusion that somehow the Federal Government can spend its way out of this recession. But it is absolutely true that any of the ideas that have been mentioned here are still going to require some public dollars, and those are actually good investments to make right now. Okay.

How much time do we have? Just want to make sure I'm not—we're doing good. Okay, good.

We actually have an Internet question, because we're trying to make sure that this goes out to other locations. What do you got, Macon?

Education

White House Director of New Media Macon Phillips. Mr. President, as you know, in addition to all these people, a lot of people have been watching through the web site, all the breakout sessions, which will be available for anyone to watch afterwards for those of you who want to check out other ones, but they've also been talking on Facebook, on Twitter about what they're seeing.

And we had one question from Don Arrington, who says, "What confuses me is I have an MBA, and that has educated me right out of the market. I thought furthering my education was supposed to help me in a tough job market."

The President. Well, look, law—first of all, I got a law degree. So it was more expensive, it took longer, and I don't know how much more useful it was. *[Laughter]* But that e-mail, I think, is indicative of what a lot of people are feeling out there. This is not the normal recession that we've just gone through. This is one that is going deep into the economy. It is not hitting blue-collar workers alone; it is hitting white-collar workers just as hard, if—and in some cases, when it comes to middle management, it's actually hitting them harder. A lot of people who expected to always be able to find a job are finding the job market really tight.

I guess what I'd say is, number one, we know long term that more education means more opportunity for the individual, greater income for the individual. That is not decreasing; that is

actually increasing—the gap between higher education and somebody with a high school education. And in a knowledge-based economy, that's not going away.

So as frustrating as it may be for the college grad or the MBA, the fact of the matter is, you are still going to be much better off than if you didn't have that education, short term as well as long term. It is not only good for the individual, it is also critical for our economy.

I told this story, I think, in this room just a while back, but I just want to repeat it, because we were doing a session on science, technology, and math education. And one of the things that I'm very proud of in this administration that nobody, except maybe Friedman and a couple others, have paid attention to is, we are actually initiating more education reform, tougher education reform than just about any administration over the last several years, and people like Randi and others are helping us in this process.

But I told the story of my lunch with the President—President Lee of South Korea. And, Gary, you were in that lunch; remember, I asked him, "What's happening in terms of education policy in Korea?" And he said, "Well, you know, my biggest problem is Korean parents are too demanding, and they are insisting, for example, that I import, and I've had to import, thousands of foreign English teachers, because they all feel that first graders should be learning English already."

Now, you think about that mentality, which is pervasive throughout Asia—you saw the same thing in China—and it gives you a sense of what we're up against in terms of global competition.

So as tough as this recession is, as tough as the job market may be, we need to double down on our education investment. We have to be more demanding of our schools, of ourselves as parents. Young people are going to have to be more demanding in terms of our ability to compete. And I don't want—the last thing I want—and this actually relates to the previous question—the last thing I want is us to essentially use up our seed corn here, to not make investments in education, to not make our investments in clean energy, to essentially say, the only way we can handle this is to constrict our dreams and to go small, because these other countries out there, they're making these investments in infrastructure, in education, in clean energy. And we can't lose the race just because we're going through a tough time right now. Now is the time actually to make sure that we're prioritizing properly and pushing even harder on that front.

Okay. Yes, sir.

President's Legislative Agenda

Q. Mr. President, Fred Lampropoulos of Merit Medical Systems. One of the overriding thoughts in our forum was that there's uncertainty, that there's such an aggressive legislative agenda that businesspeople don't really know what they ought to do. In fact, one CEO said that he thought he has to kind of wait and may have to restructure his business—this is a large, multinational pharma company—and that uncertainty is really what's holding back the jobs. And I hear that a lot in the press. There's so much going on, no one really knows what to do. How are you going to give us that confidence and make sure that we're certain about both the near-term and long-term growth prospects?

The President. You know, I actually think this is a legitimate concern. This has been a tough year, with a lot of uncertainty. Now, at the beginning of this crisis, when we were in transition, we could have made a decision. And there were legitimate arguments for that

decision—or there are legitimate arguments for the course that could have been taken, which is to say, things are so bad—we've got two wars, we've got a crisis in the financial markets, we've just found out we lost 700,000 jobs per month in the first quarter—that we should not try any big initiatives legislatively, just shouldn't do it, until everything has stabilized and settled down.

And I strongly considered that argument. But I think the response is the point that was just made earlier, that if we keep on putting off tough decisions about health care, about energy, about education, we'll never get to the point where there's a lot of appetite for that. I mean, keep in mind we just went through 10, 15 years where everything looked pretty good. Except what happened was, is that that growth was built on a house of cards. The fundamentals of the economy were weakening. And they were papered over by massive leverage, credit card debt, a housing market bubble.

Our health care system we had to keep on putting off, but the fact of the matter is, there is no way that businesses can sustain their current spending levels on health care. They can't do it. And families can't either. And this CEO of a pharmaceutical company, I think, would know that, because I'm sure that companies and health care providers are sending that message. So my belief was that we had to start tackling some of those fundamental problems if we were going to emerge stronger than we were before.

Having said that, my strong hope is, is that we get health care done by the end of this year. That eliminates some uncertainty because people will have a sense of what's going to be happening in the health care field; that we get financial regulatory reform done, if not by the end of this year then early next year so that banks have certainty; and that—to the extent that the uncertainty is derived from these major legislative initiatives—I think, will be solved in the next few months.

I think that the best way for us to deal with long-term uncertainty is to tackle the things that we've been putting off and sweeping under the rug. There's no point in us pretending that these aren't problems and thinking that somehow we can go back to business as usual, because I think if we take that approach, then we might be able to manage for the next 3 or 4 or 5 years, but sooner or later, we are going to get back into the same problems that we've already been in. And I think it's very important to start doing the hard business now. Okay.

Yes, right there.

Manufacturing Industry

Q. Thank you, Mr. President. My name is Chandra Brown, and I'm the president of United Streetcar, which is a subsidiary of Oregon Iron Works. And we are hiring, and we are building the first modern streetcar in 58 years back in this country. So we're bringing jobs from Europe to here.

And I just wanted to emphasize the importance of having the Federal Government as a partner in some of these infrastructures, because we're a traditional manufacturing union house, and we want to be the next generation in clean energy, whether that's building streetcar vehicles for the 85 cities looking for it, whether it's building the first wave energy device that we're going to be building off the coast of Oregon.

I think it's critical that our traditional manufacturing base, that those jobs stay here in the United States, and that we can continue to advance on those where it's going to be a benefit for

all things—climate change, job creation, and economic development—especially for streetcars and the 85 cities that are looking at them. Thank you.

The President. I'm looking forward to riding on one of them.

Q. All right, any time.

The President. Good. This gentleman right here has been waiting. Go ahead.

Visa Regulations/Exports

Q. Mr. President, thank you for the invitation. My name is Bill Aosse from Cedar Rapids, Iowa. I have a request that won't cost us anything. It'll bring money home. Can you please help ease the visa regulations so we can have students coming back and international business visitors that will bring money and cultivate long-term resources of culture and academic relationships? So please help ease this visa—it'll bring money in, and it won't cost us anything. Thank you.

The President. Well, I think you make an important suggestion. We live in an interconnected world and an interdependent world, and I think that, properly, we had to respond to 9/11 by reviewing our policies on visas, on immigration, on a whole host of issues.

But I think it is important for us not to get into a bunker mentality. That's not America's strength. Our strength has always been saying yes to the rest of the world, inviting ideas and different cultures and commerce. And we have not seen the same kinds of openness, I think, over the last several years that I'd like to see.

Now, we've got to do it in a prudent way, but, you know, let's just take the example of foreign students. One of the great things about this country is we get the best and the brightest talent to study here, and once they study here, they start enjoying the intellectual freedom and the entrepreneurship, and they decide to stay, and they start new businesses. And suddenly, you've got a whole new generation of folks who are creating Intel or other extraordinary businesses. If those students start seeing a closed door, then we are losing what is one of our greatest competitive advantages, and that's something that I think we're committed to doing.

Let me broaden the point. There are a lot of things that don't cost money that could make a difference. So this goes back to the issue of certainty. I mean, I do think that providing some regulatory certainty and reducing redtape on a whole bunch of areas like infrastructure investment is very important. And what I've instructed our team to do is, any good idea that will make the systems and processes of the private sector interacting with government smoother, quicker, crisper, more tech savvy, I'm for.

And I think on—the export front is another example of where a lot of times just showing up, making sure that Gary Locke or our Trade Representative—what's that guy's name? Ron Kirk? [*Laughter*] I'm messing with you, Ron. [*Laughter*] Is he here? You can tell him I said that—[*laughter*]—but making sure that they are actively pursuing business opportunities overseas, and we are not making it tougher.

Let me give you one specific example that could have some significant job implications. We still have a lot of trade restrictions on high-tech exports that are actually carries over—carryovers from the cold war. Now, part of the problem is we haven't gotten the kind of intellectual property enforcement in other countries that we need, and so, understandably, businesses are wary about sending their products overseas just to be duplicated and then

shipped back to us with—using lower-wage labor. But in some cases, it really has to do with a failure to update and review what restrictions still make sense and what restrictions don't.

Now, China, Korea, a whole bunch of Asian nations would love to import some high-value-added, high-tech stuff that could create huge numbers of jobs here in the United States. If we just increased our share of exports to Asia by 1 percent, that's about a quarter million jobs right there; if we increased it by 5 [percent],^{*} that's a million jobs. That fills a big hole; it doesn't cost us money.

So we are going to be scouring Federal regulations, restrictions, et cetera that are inhibiting export growth. We're going to be trying to see if we can use the Federal Government to link up small business and medium-sized businesses to exports more effectively. I know a lot of this stuff was talked about in the exports section. This is going to be a top priority.

Even though I was only supposed to take one more question, I'm going to take two, because I had actually called on this gentleman right here, and I felt bad that—go ahead.

Reinvention of the Business Sector

Q. Yes, I am Farooq Kathwari, chairman and CEO of Ethan Allen. Just to follow up on this question, immigration—although my comment is on a separate subject. I came to the United States at age 21 with just a few hundred dollars. I went to work during the day printing envelopes, went to school. And this country afforded me the opportunity to be where I am today. I think we should make sure that that kind of an opportunity is not taken away.

Now, my comment is that Ethan Allen is a 77-year-old company. We have—to survive, we've had to reinvent, either by chance or by plan. Otherwise, anybody 77 years old, in an enterprise, cannot survive. Well, this last year—I refer it to like a tsunami hitting the economy—has given us more opportunity to reinvent in the last 7 or 8 months than I've seen in the last 25 years that I've been president of Ethan Allen.

We have—in the first 7 or 8 months, we've had to consolidate. We had to let people go. We are a vertically integrated company, from manufacturing to retailing to logistics. We have taken the brunt of this recession in communities that are very, very far away from Washington, in Vermont, in Maine, North Carolina, Pennsylvania. And we have had people with us for 30 to 40 years we had to let go, but we had to.

In the last 7 months, as I said, after all this major reinvention, major consolidation—but we are reinventing. In the last few months, we have been adding people. We make furniture, and we have 30 stores in China, and we're shipping them from the United States. It's possible. I would say, Mr. President, that we should not miss this opportunity. Crisis creates an opportunity.

We as business leaders are ready for reinvention. And I think the government should help us—should help us in fiscal policy, should help us in tax policy—because a reinvention like you talk of the infrastructure of building bridges—but we got to build up banks, we've got to build our technology. And I think the government can play a very, very important role, because this opportunity is going to be short, and I think we should not miss it.

The President. Well, this is actually a good place to close. What people are going through every day is heartbreaking, all across the country. And the decisions that you just made as a CEO, obviously, have enormous ripple effects. You had to do it in order to keep your company

* White House correction.

profitable. On the other hand, the consequences of those layoffs, obviously, are felt deeply not just by the individuals involved but by the places—the restaurant—that that person who's been laid off used to frequent, and it just keeps on rippling throughout the economy.

Digging ourselves out of the hole that we've dug ourselves into is not going to be easy. The loss of—the job loss this past year and the months preceding it were as severe as anything we've seen for a very long time, as rapid as we've seen in a very long time. And generating the kind of economic growth that leads to the kind of hiring that gets our employment base back up to where it was is going to be hard, and it's going to take a lot of work.

But I just want to echo what I said at the beginning of this session. We still have the best universities in the world. We still have the most open, entrepreneurial economy and market of any advanced nation. We still have the most productive workers in the world. Despite the issues of unsettledness around some of—things like the banking industry and the financial sector, the truth of the matter is, is that we are still the most stable country in the world, which is why, during the midst of this crisis, everybody was buying into the U.S. and the dollar was shooting up and people were snatching up treasuries, because they still have confidence in what America has to offer.

And so the most important message that all of us, I think, have to take away from this session is that if we combine traditional American optimism with an acknowledgment that we can't go back to business as usual and that we have to rediscover a sense of seriousness of purpose when it comes to educating our kids or when it comes to government managing money properly or it comes to CEOs feeling some obligations to their workers and their communities, if we can recapture that sense that we're in this thing together and that we are willing to work hard, that America is not great because it's owed to us, but we've been great because previous generations have put in the hard work to get us there, then I'm confident that we're going to get through this tough time and the 21st century is going to be as good for us as the 20th was.

But it's not going to come easily, and it is going to require a level of cooperation and a willingness to work strategically together that we have not seen over the last several years. And frankly, this town and the way the political dialog is structured right now is not conducive to what we need to do to be globally competitive. And all of you are leaders in your communities—in the business sector and the labor sector, in academia, we even have a few pundits here—it is important to understand what's at stake and that we can't keep on playing games.

I mentioned that I was in Asia on this trip thinking about the economy. When I sat down for a round of interviews, not one of them asked me about Asia, not one of them asked me about the economy. I was asked several times about had I read Sarah Palin's book. [*Laughter*] True. But it's an indication of how our political debate doesn't match up with what we need to do and where we need to go.

But this kind of dialog helps, and I appreciate all of you participating. Thank you, everybody.

[At this point, the President greeted participants in the forum.]

The President. Excuse me, everybody. Excuse me. I just—because I'm traveling to Allentown, Pennsylvania——

Audience member. Yay! [*Laughter*]

The President. —I want to make sure that this room of business leaders and labor leaders and others just have a chance real quickly to hear directly from the mayor of Allentown, who's here right now. Come on up, Mr. Mayor, because I want to make sure that—this is the kind of town where the rubber hits the road, and I'm going to be having conversations with workers, small businesses, community colleges, and I want the mayor just to give a sense of what's going on and what you think would make the biggest difference in your town.

Mayor Ed Pawlowski. Well, thank you so much, Mr. President, and I want to say we're really honored to have you in Allentown—coming to Allentown tomorrow. I, for one, am very thankful that you're taking on these challenges. I know you were handed with a mess when you came in—probably the worst economy in 70 years. And I want to say thank you personally for all that you've done. I think you're doing a great job.

On behalf of the city of Allentown, we have had some difficult challenges, like most mid-sized cities in the Northeast. Our unemployment rate last month has gone up; it went up to 9.8 percent. We have about 41,000 people in that region that are unemployed.

But there's great things that are happening. We hopefully—and hopefully, you're going to see some of those great things. We've got some great companies that are actually growing, that are expanding. We have a company that I know you're going to be at tomorrow that is actually manufacturing steel still in the United States and doing a great job at it, growing their business, and they're growing the workforce.

We have a number of unique small businesses. In that particular region, we're very diversified. We have a lot of Fortune 500 companies. We have Air Products and Chemicals that's headquartered there; Pennsylvania Power & Light; Olympus has their North American headquarters around the city of Allentown. But we have over 1,400 employers. Only 1,100 of them are large employers. The majority are small businesses.

And there's a number of small businesses in the area that are actually growing the economy. One of them is the Terra Group, and I want to say thank you on behalf of them. They started a product that was a small water filtration—portable water filtration system, and the Marines have just bought that for our troops in Afghanistan. [*Applause*] And they're expanding—you could clap on that, that was—[*laughter*]. They're actually expanding to hire another 40 jobs because of that.

The President. That's great.

Mayor Pawlowski. And so I want to thank you. We look forward to having you tomorrow, and we look forward to having you around the city of Allentown and talking to many of the businesses that are doing some great things in rebuilding this economy.

The President. And if there are any CEOs here who are looking to locate—[*laughter*]—I'm sure Mayor Bing, Mayor Pawlowski, Mayor Cownie of Des Moines, they're all interested in talking to you. [*Laughter*] And they have literature, I'm sure. [*Laughter*] So thank you very much, everybody.

NOTE: The President spoke at 3:57 p.m. in the South Court Auditorium in the Dwight D. Eisenhower Executive Office Building. In his remarks, he referred to Douglas Holtz-Eakin, president, DHE Consulting, LLC; Lawrence Mishel, president, Economic Policy Institute; Alan S. Blinder, Gordon S. Rentschler Memorial Professor of Economics, Princeton University; Joseph E. Stiglitz, professor of economics, Columbia University; Angie Selden, chief executive officer, Arise Virtual Solutions, Inc.; James P. Hoffa, general president,

International Brotherhood of Teamsters; Robert A. Iger, president and chief executive officer, The Walt Disney Company; Randall L. Stephenson, chairman, president, and chief executive officer, AT&T, Inc.; Randi Weingarten, president, American Federation of Teachers David Barber, executive vice president, Barber Foods; Noel Cuellar, president, Primera Plastics, Inc.; Rhonda Perry, member, National Family Farm Coalition; Robert Kuttner, cofounder and coeditor, American Prospect; Thomas L. Friedman, columnist, New York Times; Secretary of Commerce Gary F. Locke; Fred P. Lampropoulos, chairman, president, and chief executive officer, Merit Medical Systems; William Aossey, Jr., president, MIDAMAR; former Gov. Sarah Palin of Alaska; and Mayor David Bing of Detroit, MI. A participant referred to the Department of Housing and Urban Development's Community Development Block Grants (CDBG) program and the Department of Transportation's Transportation Investment Generating Economic Recovery (TIGER) grant program.

Categories: Addresses and Remarks : Jobs and Economic Growth Forum, closing session and a question-and-answer session.

Locations: Washington, DC.

Names: Aossey, William, Jr.; Bing, David; Blinder, Alan S.; Cownie, T.M. Frank; Cuellar, Noel; Friedman, Thomas L.; Geithner, Timothy F.; Hoffa, James P.; Holtz-Eakin, Douglas; Iger, Robert A.; Kathwari, M. Farooq; Kirk, Ronald; Kuttner, Robert; Lampropoulos, Fred P.; Lee Myung-bak; Locke, Gary F.; McComb, William L.; McNerney, W. James, Jr.; Mishel, Lawrence; Palin, Sarah; Pawlowski, Ed; Phillips, Macon; Selden, Angie; Stephenson, Randall L.; Stiglitz, Joseph E.; Weingarten, Randi.

Subjects: Afghanistan : U.S. military forces :: Deployment; Asia : President Obama's visit; Asia : Trade with U.S.; Budget, Federal : Deficit; Budget, Federal : National debt; Business and industry : Commercial real estate market, decline; Business and industry : Community lenders; Business and industry : Credit freeze situation; Business and industry : Global competitiveness; Business and industry : Intellectual property law, strengthening efforts; Business and industry : Preventive health and wellness, employer-based incentives; Business and industry : Small and minority businesses; Commerce, Department of : Secretary; Commerce, international : Free and fair trade; Commerce, international : U.S. exports, expansion; Economy, national : American Recovery and Reinvestment Act of 2009; Economy, national : Credit markets, stabilization efforts; Economy, national : Financial regulations, modernization efforts; Economy, national : Recession, effects; Economy, national : Strengthening efforts; Education : Foreign exchange programs; Education : Global competitiveness; Education : Postsecondary education :: Community colleges; Education : Reform legislation, proposed; Education : Science and math programs; Education : Standards and school accountability; Employment and unemployment : Job creation and growth; Employment and unemployment : Job losses; Employment and unemployment : Job training programs; Employment and unemployment : Jobs and Economic Growth Forum; Employment and unemployment : Unemployment insurance; Energy : Alternative and renewable sources and technologies; Energy : Energy legislation, proposed; Energy : Energy-efficient buildings; Energy : Greenhouse gas emissions, regulation; Energy : Weatherization of homes and buildings, expansion; Health and medical care : Cost control reforms; Health and medical care : Employer-based health insurance coverage; Health and medical care : Medicare and Medicaid; Immigration and naturalization : Reform; Immigration and naturalization : Visa policy, U.S.; Iraq : U.S. military forces :: Deployment; Legislation, enacted : Worker, Homeownership, and Business Assistance Act of 2009; Pennsylvania : Allentown :: Business and government leaders, meeting with President;

Pennsylvania : Allentown :: Mayor; Pennsylvania : President's visits; Reserve System, Federal; Small Business Administration : Loan guarantee facility; South Korea : President; Taxation : Tax Code :: Reform; Terrorism : September 11, 2001, attacks; Trade Representative, Office of the U.S. : U.S. Trade Representative; Transportation : Highway system, modernization efforts; Treasury, Department of the : Secretary; Treasury, Department of the : Treasury bills, foreign holdings; Treasury, Department of the : Troubled Asset Relief Program; White House Office : Director of New Media.

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