

*Administration of Barack H. Obama, 2010*

**Remarks at a Town Hall Meeting and a Question-and-Answer Session in Ottumwa, Iowa**

*April 27, 2010*

*The President.* Hello, everybody. Hello, Ottumwa. Good to see you. Good to see you. Thank you so much, everybody. Thank you. Everybody—thank you. Everybody, please have a seat. Everybody have a seat. It is good to be back in Ottumwa. I missed you guys.

*Audience members.* We missed you!

*The President.* The—there are a couple of special folks that I want to make sure that I acknowledge. First of all, used to be your Governor, now your Secretary of Agriculture, Tom Vilsack is in the house; your attorney general, Tom Miller, is in the house; the mayor of Ottumwa, Dale Uehling; and college president, our host, Jim Lindenmayer.

Jim was bragging about the ball team here. All right, we can go out there and shoot a little bit. [*Laughter*] They seem very confident.

Well, it is wonderful to see all of you. And thanks for the wonderful welcome. Before I begin, I just want to briefly mention the continued resilience of folks up in the Cedar Rapids area in the wake of the flood that devastated the region a few years back. It has taken a long time to clean up after that. But I promised that my administration would be a committed partner in their recovery. That's why yesterday we announced \$38 million in grants for their rebuilding and recovery efforts. And we'll continue to stand with the people of Iowa going forward.

Now, it is a——

*Audience member.* We love you, President Obama!

*The President.* I love you too. I—it's great to see you. Thank you. It is just good to be back in Iowa. If it weren't for Iowa, I wouldn't be President. I believe that. It is great to be back in Ottumwa. We had some great times. Although, I got to admit that the last time I was here, I didn't arrive using a helicopter. [*Laughter*] We were in a little van. [*Laughter*] And my legs were all cramped up. [*Laughter*]

But it's a great honor to be your President. Now, having said that, one of the toughest parts about it is you don't get out as much as you used to. You're in what they call the bubble. Now, don't get me wrong, it is a very nice bubble. [*Laughter*] The White House is a great place to work. I live above the store—[*laughter*]—so it's a easy commute. I see my girls off to school every morning. I can always go—no matter how late I'm working, I can have dinner with my girls at night. And that's a great thing. But it does mean I just can't walk around and visit folks and run into them at the grocery store as easily as I used to. And so you lose something.

And as you remember, it wasn't that long ago when I was driving around in a van or a bus and introducing myself to people and shaking hands and—only to hear them say as I walked away, "Who was that guy again? What"—[*laughter*]—"how do you say his name?" [*Laughter*] So it's nice to be back in Iowa, but also just nice to be back among the American people.

Earlier today I visited the Siemens Wind Power project in Fort Madison—some of you may have seen this—and I chatted with workers, and we checked out the work that they're doing to stake America's claim on a clean energy future and Iowa's claim on America's future.

And if anybody's seen these blades for these wind turbines that Iowa is a leader in, they're being manufactured at a state-of-the-art factory that only a few years ago was completely shut down. And now they've got 600 people working there, and they're looking to expand even further. And it gives you a sense of what can happen when you've got a combination of a terrific State government—because Tom Vilsack was the one who originally brought them in—you've got a Federal Government that's giving tax credits and tax incentives for wind energy and clean energy, and then you've got a community full of folks that are just ready to work and willing to do what it takes. And that is exactly the kind of future that we want to promote.

I stopped by a small food producer in Mount Pleasant. A young woman, she couldn't have been more than 25, and she is starting her own—her parents had a farm; it didn't look like they were farming it actively. She came back home, and now she's planting fruits and vegetables. And she's got a small loan, and she's started participating in the farmer's market, and now she's been hooking up with the local department store, and pretty soon she's going to be with the schools. And so we're getting fresh produce to market. She is starting to make money. And you're seeing that kind of entrepreneurship all across the State and all across the country.

And these visits are reminders that when you get out into the heartland and you talk to folks, there's a lot to learn from rural America, because it's towns like this that give America its heartbeat. It's towns like this where working men and women built the American Dream with their bare hands: farmers who get up before dawn; shopkeepers who hang the "open" sign every morning; entrepreneurs who get that idea and turn that idea into a reality. And that's a dream that's shared by every American, a chance to make a good living, to raise a healthy, secure family, and then to leave our children with even more opportunity than we had.

But look, the fact is, we have gone through a tough time. And I know we've gone through a tough time here in Ottumwa. Even though our economy is growing again, even though our markets have rebounded, our businesses are beginning to create jobs again and hire again—that's all good news, but everybody here knows there's a lot of recovery that we still have to do.

And I hear the stories in the letters that I get every night. Some of you know I take 10 letters out of the 40,000 or so that we get and I read them every night. And recently I received a particularly moving young—letter from a young woman in a town that's smaller than Ottumwa. And she said, and I'm going to read this, "Our family has been able to make it through past financial hardship by sticking together and waiting patiently for things to get better, but I'm really starting to worry." That's what she said. "I don't know how much longer I can deal with the guilt of putting additional financial strain on my family by trying to be the first of us to attend and graduate college." And she closed by writing, "It's not your job to respond to me or even to read my letter."

But I had to write her back and said, "Actually, that is my job"—[laughter]—because her story is just like the story of a lot of folks out here. That's why I asked you for the job in the first place, Iowa, because I was hearing too many stories like that. Think about that: young woman feeling guilty about going to college; she's thinking, maybe I need to drop out and work because my family's going through such strain.

That's not the way it's supposed to be. She's supposed to take pride in going to college because she knows that it will give her the opportunity to create a great life for herself, but also

maybe to help folks who are less fortunate, a little bit less lucky, be able to reach back and bring them along. That's the dream that generations of Americans have worked for. And even before this last crisis, it felt like it was slipping away a little bit.

Folks like you are living up to your responsibilities, and then you've got people in Washington and Wall Street who aren't living up to theirs. And the reason that so many of you joined our campaign was you believed that we had it within our reach to change the way things were working, to stand up to the special interests, to make sure that the agenda in Washington was yours, and to keep the American Dream alive for our time and for all time.

So—but before I take your questions, I just want to speak very plainly about what we've been doing to keep faith with that promise.

Now, when I took office, the first thing we had to do was mount an aggressive response to the worst economic crisis we'd seen since the Great Depression because we didn't want a second great depression. And let's face it: Some of the steps we took were unpopular. I didn't like them. Nobody wanted to have to fix the financial system. That wasn't part of what I ran on. I ran on making sure we regulated the financial system, but I didn't run on having to make sure it didn't collapse. But I also knew that some of the things we did were the right thing to do in order to make sure that the situation didn't get worse.

And by the way, one of those steps was called the Recovery Act. And I want everybody to understand, here's what it did. First of all, one-third of it was tax cuts. We cut taxes for small businesses. So one-third—when you hear of the Recovery Act, I want you to understand, a third of that went to tax cuts for small businesses, for first-time homebuyers—some of you have been first-time homebuyers and gotten that \$8,000 credit—for students and parents who were paying for college. And we cut taxes for 95 percent of working Americans—1.1 million working families here in Iowa—because that's what I told you I'd do during the campaign.

So in all, we passed 25 different tax cuts last year to help folks make ends meet in the tough economy. And by the way, that put more demand into the economy, which meant people had some money in their pockets to spend on basic necessities, which kept more businesses open and prevented us from slipping into a depression. So I just want to be clear, when you hear folks hollering about their taxes, I'm sympathetic, but we've cut taxes—25 of them.

All right, so that's a third of the Recovery Act. Another third went to helping folks get back on their feet by extending unemployment benefits and making COBRA cheaper. And—I mean, I can't tell you how many people I talk to—it's tough enough losing your job. It's a lot tougher if you lose your job and your COBRA payments—the payments to keep your health care from when you were on the job—are more than you can ever afford, so then you lose your health care at the same time as you're losing your job. And the COBRA basically subsidized 65 percent of those costs. And it meant a lot of people, even when they lost their job, were able to keep their health care and, through unemployment benefits, keep the lights on until they were able to get back on their feet.

We also kept teachers and police officers on the job, including right here in Iowa. If you talk to any Governor, they will tell you that they would have had to make huge layoffs if we hadn't provided help.

All right, so that's two-thirds of it. Now, here's the last third. It was towards putting people back to work doing the work that America needs. That wind blade plant that we just went to, they benefited from clean energy tax credits that we gave them. They would not have been able to expand and hire those additional 200 people if we hadn't provided those tax credits. All

across America, we invested in rebuilding roads and bridges and hospitals and firehouses, laying broadband lines, creating and harnessing the clean energy of tomorrow.

So it was that Recovery Act that helped that wind turbine plant boost output. Not far from here, the Recovery Act is funding the Ottumwa Job Corps Center, offering a brighter future for hundreds of students a year.

Now, sometimes you've got people who were critics of what we did, but they'll show up at the ribbon cutting. [Laughter] Now—so I just want to make clear here what we did, because people try to score political points by attacking the Recovery Act, that's what they're attacking—that wind turbine plant—or that wind blade plant, the Job Corps Center, keeping teachers on the job, the most progressive tax cut in our history, relief for laid-off workers, investment in your community—2.5 million Americans went to work today who otherwise wouldn't have gone to work.

And we're going to keep on working by every means necessary to accelerate job creation because, look, job is—a job is more than a paycheck. Anybody who's been out of work—and by the way, I've been out of work—knows that feeling you get when you're out of work. It's not just because you're worried about paying the bills; it's because a job is about meeting one's responsibilities and taking care of one's family. It's about the satisfaction at the end of a hard day's work, the sense of purpose and pride every American deserves. That's what we need to restore.

So that's been our priority in the short term, to get our economy running, getting businesses hiring again. And we're making some progress—not as fast as I'd like, but the trends are good.

Here's the thing, though, folks: The challenge did not just begin a year and a half ago with this crisis. It certainly didn't start here in Ottumwa just a year and a half ago. We've been seeing manufacturing leaving. We've been seeing folks who are struggling to get by, middle class folks who've been swimming against the current for better part of a decade because they were hit with an economic tidal wave.

For decades, our schools have been failing too many of our kids. For decades, our dependence on foreign oil threatened our economic and national security. For decades, families have been struggling with out-of-control health care premiums. For decades, our deficits—well, actually just a decade—[laughter]—our deficits were unacceptably large year after year, because 10 years ago, we actually had a surplus.

Year after year, Washington focuses on the next election instead of the next generation. And I'm here to tell you, Ottumwa, we cannot afford that kind of politics. We cannot go back to that kind of economy. We've got to rebuild a new foundation for our future.

We need to extend opportunity to every corner of Main Street so that young folks who are here in Ottumwa don't feel like they've got to go someplace else to have a decent life. We need to make sure that we put some wind at the backs of working men and women and create conditions where if they work hard, they can get ahead.

So that's what we're working to do. And that's why we're making the biggest investment in clean energy in our history, creating good middle class jobs in middle America, jobs that harness the wind and the sun and biofuels and won't be sent offshore. That's why we're working with States to raise standards in our schools, so our young people can compete in the

21st century economy. And that's why I'm very proud of all the young people who are here at this community college who are doing great work.

By the way, that's why we took on the special interests. We finally reformed the student loan system so it works for students and not bankers—saved us tens of billions of dollars in wasteful spending, and we're reinvesting that money where it should have gone in the first place, and that's to your education. We're making college more affordable, and we're upgrading America's most underappreciated asset, and that's community colleges just like this one. And we're proud to do it.

And, yes, Ottumwa, that is why we finally passed health reform in America. Reform—[*applause*]*—*you know, I—I'm proud of it. I'm proud of it.

I want you to know, right before I came here, we were in Mount Pleasant, Vilsack's old stomping grounds, and we went to Jerry's, right? And I had some pie. [*Laughter*] It was very good. [*Laughter*] And so we talked to some of the patrons there. And on the way out, a young woman named Janice came up to me, and she wanted an autograph, and I said I'd be happy to sign something. And we started talking about her circumstances. And she's a homemaker. Her husband is self-employed—a mechanic, I think she said it was. And she was trying to figure—she was so eager to get health care going. She said, "I know it takes a few years to get this thing started up, but we need help now because our premiums just went up to \$700 per month." And that's who reform was for.

So here's what's going to happen this year. Seniors are going to help—get help paying for their prescription drugs—this year. Millions of small-business owners, including farmers, will be eligible for tax credits to help insure their employees—this year. Parents of children with preexisting conditions will finally be able to purchase the coverage that they need—this year. Insurance companies won't be able to drop you when you get sick—this year. By the way, if you're a young person here, you'll be able to stay on your parents' policy till you're 26, starting this year.

And in a couple years, as—after we've set the whole thing up, millions of families and small-business owners, they're going to have more choice, more competition, and they're going to finally be able to purchase quality, affordable care and get a better deal because they're going to be part of a big pool. The reason that it's cheap for Federal employees, for example, to get good health insurance is because there are millions of Federal employees, so they've got a lot of bargaining power. It forces insurance companies to lower their rates and give them a better deal.

Now individuals and small businesses are going to be able to buy into that same kind of pool. And by the way, Members of Congress are going to be members of it too, so you know it's a good deal, because they wouldn't have voted for it if they thought it was going to be a bad deal.

One last point about health care reform: This represents the biggest deficit reduction plan since the 1990s. Now, there's been a lot of talk about deficits lately, and rightly so. These numbers keep me up at night. But it is ironic that some of the folks who are loudest talking about it are the ones who took a surplus 10 years ago and left a \$1.3 trillion deficit on my desk when I took office.

Now, I don't know where they were over the last 10 years, why they weren't protesting and all that. [*Laughter*] But that's fine. I'm the President; the buck stops with me. And we did have to add short term to the deficit to deal with the economic crisis. All that unemployment

benefits, those COBRA extensions, et cetera, that cost money. But we've also taken real concrete steps to address the long-term deficits that loom over our future.

Last point I want to make: We are engaged in a debate right now on the need for Wall Street reform, reform that protects consumers, holds firms accountable, puts an end to taxpayer bailouts once and for all. It's precisely because we didn't have commonsense rules on Wall Street that some of these firms could take these huge risks, irresponsible risks that hurt every sector of the economy.

As far away as Ottumwa, you were impacted by what they were doing. People on Wall Street, some of them forgot that every—behind every dollar traded or leveraged or some derivative created, here on Main Street people are just looking to buy a house or pay for college or open up a business or save for retirement. And you can't take irresponsible risks like that. So that's why we need reform.

Now, today, for the second time in 24 hours, Senate Republicans unanimously blocked efforts to even begin debating reform. I'm not even asking them to vote for the bill. I just want to let them debate it. And you know—you've learned these Senate rules are complicated. So they won't even let it get on the floor to be debated. It's one thing to oppose reform, but to oppose just even talking about reform in front of the American people and having a legitimate debate, that's not right.

The American people deserve an honest debate on this bill. It's been 2 years since the financial crisis became clear. I've been talking about it since 2007; before the crisis, I said we needed better rules on Wall Street. And you should not have to wait one more day for some of the strongest consumer protections ever.

And I'm not going to let this effort fall victim to industry lobbyists who want to weaken it and water it down and kill it and snuff it out and stomp on it and whatever else they want to do to it. We can't let another crisis like this happen again. And we can't have such a short memory that we let them convince us that we don't need to change the status quo on Wall Street.

Now, Ottumwa, Washington likes to act like this is all a political game. So that's why I want people to spend more time in Ottumwa, because if folks spent more time out here, they'd see that inaction, obstruction costs people. They'd see that you don't care which party comes out on top politically in any of this stuff. You just want us to live up to our responsibilities like you do. You're not interested in whether it's a Republican plan or a Democratic plan or it's—*[applause]*—that's what our administration's been trying to do.

Now, we haven't been perfect, that's for sure. Michelle could have warned you, I'm not perfect. *[Laughter]* But I want—what I want you to know is that every single thing we are trying to accomplish, every policy we put in place, every day that I go to work, it's about restoring a sense of security for the middle class and renewing the American Dream for folks like you, because you're the ones who inspired me to run. Whether you support me or not, it's towns like this and families like yours that I spend my time thinking about.

It's that young lady in that letter that I'm working for. You put your trust in me. I don't intend to let you down. And if we can summon resolve together and work together, I know we're going to come through these difficult times and we are going to emerge stronger and more secure and more ready than ever to write that next great chapter in American history.

So thank you very much, Ottumwa. Let me take some questions from you. Thank you. Thank you.

[*At this point, the President addressed a member of the audience.*]

*The President.* You got a little baby.

*Audience member.* [*Inaudible*]

*The President.* I will, I will.

All right, everybody have a seat. I'm going to take some questions. Then I'm going to hold that cute, little baby right there. [*Laughter*] She is just a little precious pea. [*Laughter*]

All right, there are no rules to this, other than just raise your hand. I'll try to call on as many as I can. We're going to go girl, boy, girl, boy so that it's fair. [*Laughter*] And hopefully—and there are young people in the audience with microphones. So wait until the microphone gets to you so that everybody can hear your question. And if you don't mind introducing yourself, that would be helpful as well. All right?

Okay, there's a gentleman right there at the corner, so that seems pretty convenient—right there. Yes, sir.

*Manufacturing Jobs/Trade/Credit for Small Businesses*

Q. Yes, sir. Thank you so much for all your efforts on health care, and I wish you every success on the reforms we need——

*The President.* Thank you. Thank you.

Q. ——in Wall Street. I'm a Californian—I live in California and——

*The President.* What are you doing here in Ottumwa?

Q. Well, there's a special lady that has my heart, called Veronica Butler, here, so I have to come back.

*The President.* Oh, I see. Okay. All right, okay. I got you.

Q. I'm in—I run a small business, and we sell equipment—manufacturing equipment, and then we do leasing on that equipment. And I'm real concerned over, we seem like we continue to lose manufacturing jobs overseas. And it's a drain on that. And then we also have in our—we try to arrange for financing. Our shops that are—our small machine shops that are just everyday working guys that are really trying to make a living are now in a situation that their credit is challenged, so——

*The President.* These are your suppliers?

Q. Some of the suppliers and some of the customers I'm trying to provide equipment to.

*The President.* I see. I got you, okay.

Q. They can't go to—due to the—they've pulled on their own personal wealth to try to keep their businesses open. They've lost people that they can't hire back. They need to hire people. They're going to banks, and some of them have been in business less than 3 years, and it's just impossible for them now to arrange and buy equipment. So we need help, boss. [*Laughter*]

*The President.* The—well, let me respond to both questions. Look, we've been losing manufacturing for a while. There is no doubt about that. I think it's important to recognize that a lot of attention is placed on manufacturing moving overseas, but actually, the majority of manufacturing jobs that have been lost had to do with automation and technology.

If you go to a steel mill today, it takes one person what it used to take 10 people to do. And that's true in a lot of industries. So some of the reduction in the number of people working in manufacturing is similar to what happened in agriculture, right? Things just got very efficient.

In fact, one of the problems we're having right now in terms of having jobs rebound even after the economy has rebounded is the fact that a lot of businesses learn to become more efficient, and so they're thinking, well, we can make the same amount of product with fewer workers, which is a challenge for us.

That's why new industries are so important. We—America—we've been at our best by coming up with the next thing, the new idea because we're never going to compete overseas when it comes to low wages. Even if Chinese wages go up, folks will move to Bangladesh. And if Bangladesh wages go up, they'll—I mean, Mexico now is actually losing jobs to China, and on down the line. So that's not where we want to compete. We want to compete in innovation, a highly educated workforce, creativity, high-end products.

Now, here's the good news, actually. We still have a very strong manufacturing base in this country, and that wind blade farm was an example of the kinds of new manufacturing that we can put in place. But we've got to invest in it. That's point number one.

Point number two is, we've got to make sure that our trade arrangements with other countries are fair, because, frankly, 20 years ago, 30 years ago, I think the attitude was, you know what, we can just open up our markets and they don't have to open theirs, and maybe they'll send us toys and a few other things, but it's no big deal. Well, those days are over. China has grown rapidly, and it can compete very effectively, which means that when I'm meeting with the Chinese President, I've got to make sure that their trade is reciprocating—their trade policies reciprocate what ours do.

That means that agricultural products from Iowa, they've got to have full access to the market. It means that they can't steal our intellectual property. It means that they can't have a bunch of barriers where getting through customs is so hard that finally, American companies give up. And this is one of the reasons why my administration has called for a doubling of U.S. exports.

I don't want to close off trade with other countries; I want to open those countries because that's a lot of where the growth is, and that's where we can sell our products and we've got a competitive advantage. But we've got to keep on pushing and be tough in our negotiations, and that's something that's going to be a top priority. So that's on the trade side.

On the financing side, one of the biggest problems we still have in our economy—we made sure that the financial system didn't collapse, but a lot of banks have still pulled back, and they've pulled back especially from small businesses. So everywhere I go, I talk to small-business owners who say, "You know, we're actually starting to get orders now, but I can't get a credit line from my bank."

And sadly, actually, the smaller banks in some ways—which service a lot of small businesses and service communities like Ottumwa—are in some ways just as bad off. They may not have taken any kind of Federal help, but they still are trying to deal with their balance sheets. They might have financed some malls or some mortgages that have gone south; they've got some bad loans on their books. They're not in—they feel like they're not in as good of a position to lend.

So what we've been trying to do is use the SBA, the Small Business Administration. We've doubled SBA loans to small businesses. We are now—we've told Congress what we'd like to do—it turns out all those big banks are actually now paying back the money that we gave them.

*Audience member.* Good!

*The President.* It is very good—with interest, by the way. They've already paid back the majority of it, but my attitude is, I want them paying back every dime. And that's why we've got a bank fee that we're going to impose on them until they've paid taxpayers back every dime of the money they got.

But one of our proposals is to have some of that money used to help get small-business loans out. And so this is going to be something that we're debating. If we can start loosening up credit for small businesses and helping smaller and community banks with their lending portfolios, that will make a huge difference in terms of the pace of our economic growth. So this is really a top priority for our administration.

All right? Thank you for the question.

All right, it's a young lady's—it's a woman's turn. But I just want to make sure that you are not from California. [*Laughter*] I'm teasing. Right here, in the orange. Yeah. Stand up and introduce yourself. Here, you got a mike right behind you.

*Support for Unions/Education*

*Q.* Hi, my name is—[*inaudible*—]union. We supported you when you ran. And what my question is, is how are you going to continue to support us, and how is the health care bill going to affect us?

*The President.* Well, first of all, I'm grateful for the support. And second of all, I've said this before publicly, and I'll say it again—I make no apologies for it: I am a prounion guy. I think that—[*applause*]—I think—you know, our unions helped build our middle class. We take for granted so much stuff: minimum wage laws; 40-hour work week; overtime; child labor laws. Those things wouldn't have happened if it hadn't been for unions fighting for those rights. So even if you're not a member of a union, you've got to be appreciative of what unions have done.

Now, a lot of things that we do don't get a lot of notice. We don't always get—generate headlines. But a lot of things that we're doing have to do with how is the Department of Labor operating to make sure that workplace safety rules are enforced, to make sure that if the Federal Government is helping to finance a program, that we've got a project labor agreement in place that assures that people are paid a decent wage and they're getting a fair deal; who am I appointing to the National Labor Relations Board so that when a union tries to organize, it doesn't take 5 years just—before you can even get a ruling, and then it turns out that the ruling somehow conveniently always is against the union. So there are a lot of things that we've been doing administratively to try to make sure that people just get the fair chance to organize.

Now, look, some people don't want unions, and that's great. If you feel that you can look after your own interests, I respect that. But what we—but one of the things that we stand for as Americans is the freedom to decide I'm going to join with my brothers and sisters at that workplace to try to get a better deal, not through force, not through coercion, but just by us agreeing to bargain. And we just want to make sure that there's a level playing field in that process. That's something that I strongly believe in, and it's part of the American tradition.

And sometimes people will say, "Well, unions are what's making us not competitive." Well, that's just not true. Unions are only, at this point in the private sector, probably less than 10 percent of the economy. So the notion that somehow that's what is creating competition with other countries that pay low wages, that's not the case. The fact of the matter is, is that what's going to help us become competitive is if we've got middle class workers making middle class wages with middle class benefits, who can then go out and shop and support a family and buy a new car and pay their mortgage, which will create more business opportunities and maintain America as the greatest market on Earth. And if we do that, then we're going to be successful.

Now, there are going to be times where—there are times where I've got some differences with the unions on some issues. But that's—those are arguments among friends. I do think, for example, that it's important for us to reform our education system. And my sister's a teacher. I love teachers unions; I've been supportive of them ever since I got into politics. But I do want to partner with teachers to make sure that we are improving constantly how our kids perform. And we've got to have accountability in terms of how we are making progress in school districts all across the country.

Because I want young people in America not—at this point, we can't just graduate from high school; that's not enough. We've got to go on to community colleges or go on to a 4-year education because those are the jobs that are going to exist in the 21st century. I don't want our young people having to compete simply on the basis of their willingness to work in a factory because it's going to be very hard for them to compete over the long term in other countries where the wages may be a lot lower, unless they've got higher skills and they're bringing something different to the marketplace than some of these other workers.

All right? Thanks for the question.

Okay. It's a gentleman's turn. Let's see who we got. All right, one of those ballplayers back there was—are you—if you're asking whether I can beat you at H-O-R-S-E, the answer is yes. [Laughter]

*Photo with the President*

Q. All right. How you doing, Mr. President? My name is Dwan McMillan. My question is, my teammates and I, we want a picture with you before you leave. [Laughter] Can you make that happen, Mr. President?

*The President.* I think that's within my executive powers, so—[applause].

All right, it is a young woman's turn—right there, in the white shirt. Yeah.

*Immigration Reform/Arizona Illegal Immigration Enforcement Legislation*

Q. Welcome, Mr. President. My name is Julie Morales, and I'm a student here at Indian Hills. I thank you for health care, but I know you have your plate full. I have a lot of undocumented friends, and immigration has been in the news for many, many years, and nothing has been done about it. And I was just wondering what your plan was for our undocumented workers, who has established our country?

*The President.* Well, here's my plan—and by the way, it's not my plan; I think it's going to have to be a plan where all Americans arrive at a commonsense consensus about responsibility when it comes to immigration.

Now, this is a controversial issue, but the truth is, if you talk to most Americans, they probably have a similar concept, and that is, most Americans recognize we're a nation of

immigrants. Very few of you are Native Americans, which means most of you came here from someplace else or your families came here or your great-great-great grandparents came here from somewhere else. So we are a nation of immigrants. We were founded on immigration. That's what that whole Plymouth Rock thing was about—immigration. So we're a nation of immigrants.

But we're also a nation of laws. And we expect people to follow the rules if they want to immigrate to this country. That's only fair, all right? So the challenge we have now is, how do we set up a system where, yes, we're welcoming new people to our country—which, by the way, makes us stronger. One of the things that is a huge advantage for America, compared to countries like Europe, is actually, we constantly are replenishing ourselves with hungry, driven people who are coming here, and they want to work, and they start a business, and our population is younger and more dynamic. And that's a good thing. So we want immigration, but how do we do it in a lawful way so that people who are waiting in line back in their home countries, doing it the right way, aren't being punished, and we've got some basic control of our borders? And the problem is, we don't have that right now. The system is broken.

So ever since I was campaigning here in Iowa, I've been saying the same thing. What I want is a system in which we secure our borders—and by the way, this administration has made significant progress securing our borders—we start cracking down on companies that are purposely hiring undocumented workers to undercut the wages of U.S. workers, because the truth is, as long as there are employers who want to exploit undocumented workers, pay them lower wages, no benefits, no overtime, et cetera, people are going to continue to come. I mean, we can try to build as many fences as we want at the border, but the fact is, if folks are making \$2 a day back home and they can make \$10 an hour here, they're going to come here, unless we make sure that employers are doing what's lawful. So we've got to take that seriously.

If we do those two things, though, we're still going to have 11, 12, 13 million undocumented workers in this country. And not all of them are going to go home. I mean, you can—this law that just passed in Arizona—which I think is a poorly conceived law—you can try to make it really tough on people who look like they, quote, unquote, "might be illegal immigrants." One of the things that the law says is local officials are allowed to ask somebody who they have a suspicion might be an illegal immigrant for their papers. But you can imagine, if you are a Hispanic American in Arizona, your great-grandparents may have been there before Arizona was even a State, but now suddenly, if you don't have your papers and you took your kid out to get ice cream, you're going to be harassed. That's something that could potentially happen. That's not the right way to go.

And we can try to crack down, but the truth is, that 11 to 12 million folks, we're going to have to make them take responsibility for what they did. And the way to do that is to actually make them register, make them pay a fine, make them learn English, make them take responsibility for the fact that they broke the law. You make them get in the back of the line. But you also say, okay, if you do it the right way, then you have a chance to become an American citizen. And if we have that kind of comprehensive approach, then we can once again be a nation of laws and a nation of immigrants.

Now, I've been pushing for this. I want it to happen. The only way it's going to happen is if Democrats and Republicans come together and do this because this is such a volatile issue. I will bring the majority of Democrats to the table in getting this done, but I've got to have some help from the other side. I've got to have some help from the other side because we're not going to solve this problem—it can be exploited for political purposes, and the only way to rise

above the politics and actually solve the problem once and for all is to make sure that it's a bipartisan effort. And that's what we're pushing for. I hope that we can get it done sometime soon.

And I'm going to continue to advocate on behalf of finally fixing the system so that we don't have either the kind of bad laws that we've seen in Arizona, or, alternatively, we've got half a million illegal folks coming into Arizona without any control. Neither of those things is sensible. And we can have a commonsense law, but we're going to have to work together across party lines to make it happen.

All right? Thank you.

It's a guy's turn. Let's see. Let's see. All right—well, all right, this gentleman right here. Do I need to give you my mike? All right, here. Are you going to give it back? *[Laughter]*

*Federal Funding for State and Local Projects/National Debt*

*Q.* Hi, I'm Joe Helfenberger from Ottumwa. I work for the city of Ottumwa. We're under an EPA orders to have \$160 million of sewer remediation for combined sewer separation. We're at the highest poverty level in Iowa. We're very much pro cleaning up the environment. We just need more time. We need some financial assistance; we need some assistance through the Federal Government. It used to fund sewers at 83 percent that—in the eighties, they got rid of that, so we need help.

*The President.* Well, let me say, one of the great things about being President is you've got these wonderful advisers. And one of my best advisers is Tom Vilsack, my Secretary of Agriculture, who has the benefit of being a Governor. And I've got a lot of Governors in my—former Governors in my Cabinet because Governors can't always play some of these political games they play in Washington. It's like being a mayor; it's like the rubber hits the road. It doesn't matter whether you're a Democrat or a Republican; at some point, garbage got to get picked up, sewer systems have to work, et cetera.

Now, Tom, very early on in our administration, we talked about how we could deal with water management, waste water management. And so in the Recovery Act, we actually funded billions of dollars of projects across the country because we know that it's hard for a lot of local communities to be able to get done what they want to do, but they just don't have the money to do.

Now, I don't know the specifics around what's happening in Ottumwa—\$160 million sounds like a lot of money to me, and I'm sure it sounds like a lot of money to you. You're still looking kind of sad about the whole thing—*[laughter]*—like, where am I going to find this money? So what I—I'll make a commitment to you to have my team investigate exactly what it is that needs to be cleaned up, and is there some way that we can put this on a better funding track. All right?

Let me make a broader point about this, though, because this will bear on how we think about our Federal budget in the future. Everybody dislikes Washington right now, and everybody wants to lower their taxes. Everybody hates waste in government. But at the same time, you know, government does some important things, like helping to make sure you've got clean drinking water and that your roads aren't full of potholes and that—*[laughter]*—well, it hasn't—I'm not saying it's always succeeding, now. *[Laughter]* I think I touched on a sore spot here—*[laughter]*—Mr. Mayor. The—making sure that we've got teachers in our classrooms that are getting decently paid; so—making sure that Social Security is going to be there for the

next generation; making sure that Medicare is solvent so that our elderly are able to get proper care.

So I just want everybody to remember this, because we're going to have a very tough debate about how to bring down the deficits. We are going to have to bring down our deficits. We can't sustain it. And by the way, the steps I've taken—a 3-year freeze on discretionary spending, Pentagon reform where we're eliminating weapons systems that even the Pentagon doesn't want, scouring the budget to end programs that don't work—even with all the steps that those—that we're taking on that front, that will pay, by the way, for everything that we did during the Recovery Act. So everything that's happened on my watch, we will have paid for—we will have paid for.

But I inherited a structural deficit that is going to get worse in the years to come because our population is getting older, health care costs have been going up faster than inflation, more people are on Social Security, more people are on Medicare, and we've had two wars that we've been fighting. And if you combine all that, plus the interest on that debt, if we don't bring it under control, we really are going to be burdening the next generation in a way that's not acceptable.

So as this debate unfolds, I just want everybody to pay attention to what folks are saying, because a lot of times politicians will tell you, "I'm going to cut your taxes; I'm going to lower the deficit; I'm going to expand Medicare." They'll tell you—essentially, they'll tell you whatever it is they want you to hear. And you should ask every politician, when they say that they're going to balance the budget and deal with the deficit, what exactly are you going to cut? What spending are you willing to eliminate? Are you going to eliminate funding for sewers? Are you going to reduce the cost of Medicare?

Because there's no such thing as a free lunch. And I think a lot of times the way it's talked about in Washington, folks make it out as if, well, if we could just eliminate the waste and abuse in Washington, somehow that would fix the problem. Well, no, we're going to have some tough choices.

Let me give you one example. Everybody thinks that foreign aid—if we just kind of stopped foreign aid, that that would be a big help. Let me tell you, foreign aid is less than 1 percent of our budget—1 percent. Some people say, well, if we eliminated pork projects, earmarks, right? Now, some of these earmarks are kind of ridiculous, so we should eliminate them just because we don't have any money that we should be wasting. But let me tell you, earmarks are only about 1 percent of the budget.

So we can eliminate all foreign aid, all earmarks, and we'd still have a huge problem because most of our budget goes to Social Security, Medicare, Medicaid, defense spending. Those things account for about 70 percent of the budget. Everything else we do is only about 30 percent of the budget—everything from national forests to the Agriculture Department to student loans. All that stuff is only—is less than a third of our budget.

So this is going to be a tough bunch of choices that we've got to make here. And I just want everybody to be prepared so that when you hear the debate over the next couple of years about how we are going to reduce our deficit, understand, we're not going to do it overnight. It would be, in fact, irresponsible for us to try to do it just in 1 year or a few years. We're going to have to do it over a stretch of several years, and we're going to have to make some tough choices. All right?

I've got time for two more questions. Yeah, I noticed I didn't get a lot of clapping about the whole "we're going to have the hard choices" thing, because—[*applause*—you know—but remember when I was running for office, I said, I will not just tell you what you want to hear, I will tell you what you need to hear. And you needed to hear that we're going to have some tough choices around our deficit.

All right, I've got two more questions. I'm going to call on this young lady right here. Yes, you. [*Laughter*]

*President's Visit to Jerry's Family Restaurant in Mount Pleasant, IA*

Q. My name is Tara Howard, and I'm in fifth grade and go to Cardinal Elementary.

*The President.* Well, it's good to see you.

Q. And my friend wanted me to ask you what kind of pie you had. And my Grandma Beamun says hi to Tom Vilsack. [*Laughter*]

*The President.* Okay, there you go. I had rhubarb pie. And it was some tasty pie. By the way, some of you heard that my cholesterol had gone up. It's because of pie. [*Laughter*] The White House—along with that Air Force One, they have really good pie at the White House. [*Laughter*] So that's one of the other perks that you have to—that you get with being President.

All right. I've got—it is a gentleman's turn. All right, this looks—I'm going to call on a student. This looks like a student right here—this guy right here. You—well, no, no, no, the guy beneath you. I'm sorry. I didn't see you. You looked older. [*Laughter*] I'm sorry, the guy in front of you—well, he sat down. There you go.

*Audience member.* [*Inaudible*]

*The President.* No, remember I said, boy, girl, boy, girl. Go ahead.

*Education*

Q. President Obama, Joe Tafta. I'm an 11th grader at Ottumwa High School. I don't know if you know this or not, but Ottumwa High School has the highest dropout rate in the State of Iowa.

Q. I'm Bobby. We had this planned out—two-part question.

*The President.* Cool. [*Laughter*]

Q. My mom is a teacher at the high school too—just thought I'd bring that up. She's—well, we were just wondering, you talk a lot in the Recovery Act about how you will get—you will have student loans for kids that graduate high school to go to college.

*The President.* Right.

Q. But what about the kids that do not graduate high school?

*The President.* That's a great question. First of all, thank your mom for teaching because—where is she? Is she here? Oh, I'm sorry.

Q. Actually, she's in the OEA, and she won one ticket, and she's like, well, I saw you when you were here last, so she gave her ticket.

*The President.* Well, that's so nice. Look at mom.

Q. And when you were here last time, she helped interview you for the Courier—Mary Orman. I doubt you remember her, but—

*The President.* I do.

Q. Okay. All right.

*The President.* Tell Mary I said hello.

Q. All right.

*The President.* All right. [*Laughter*]

Q. Oh, and then, President Obama, she's wondering, if I get the chance, could we—me and Joe get a picture with you too? [*Laughter*]

*The President.* Well, I don't know about that. [*Laughter*]

Q. Aww! Thanks.

*The President.* But I'll answer your question. You're absolutely right that we can do a great job financing community colleges and student loans and college educations, but if we haven't dealt with K through 12, we're going to have problems. And the truth is, we're slipping behind. We used to have by far the best education system in the world, by a huge margin. And we don't now. I mean, we've got some of the—we have—we still have the best universities in the world, the best college system in the world, and we have some of the best schools in the world. But our overall education system is kind of in the middle of the pack in terms of advanced countries, especially in science and math, which is a huge problem because science and math is the future. That's what's going to allow you to innovate.

So I've got this terrific Secretary of Education named Arne Duncan, and one of the things that Arne and I have been trying to do is to figure out how do we jump-start more educational excellence.

A couple of ways we've done it. First of all, the Recovery Act was also the largest investment in education by the Federal Government in history, above and beyond whatever annual funding folks get. And it helped to pay for new classrooms and new laboratories and teacher training programs and a whole host of things.

But what we have to do moving forward is, number one, really emphasize teaching. We've got to treat our teachers better. We've got to give them more professional development. We've got to pay them higher salaries. We've got to attract more young people to go into teaching. We've got to put a bigger emphasis on math and science teaching. So we've just got to give teachers a lot more support than they're getting right now.

Now, in exchange, teachers do have to be accountable. I don't want teachers to be judged just by how their kids do on a standardized test because if teachers get kids who come from poorer backgrounds, they may do worse on the test; it doesn't mean that's a bad teacher. But there have to be measures of how kids do year to year, even if it's not just testing, but other measures that make sure that we're seeing improvement in student performance over time.

So that's the bargain that we're trying to strike with teachers: more support for teachers; more professional development; better pay; better incentives; but also, we want to make sure that teachers help to shape an accountability system, so our kids we know are doing well. That's going to be the single most important thing we can do.

And we are going to—and we set up something called Race to the Top, which is a competitive fund where we say to local school districts and States, you know what, if you can come up with great ways to train teachers, great ways to hold the school system accountable, you're focusing on not just the best students but also the low-performing students, if you do these things that we know work in terms of reform, then we're going to give you a little bit of extra money, a little bit of incentive. We're going to allow you to compete for excellence, not compete for mediocrity.

And so far, we've seen a couple of States win these Race to the Top awards, and it would be great if Ottumwa decided to apply. So you might want to talk to your Governor, Chet Culver, and see if we can get some extra money in the Ottumwa school district.

Last thing I'm going to say—and this is actually important not only about education but about how we're going to succeed as a nation in this new century. We can have the best teachers in the world, we can fund the best programs in the world, we can give all the scholarships in the world, but if parents aren't parenting their kids and emphasizing the importance of learning and education, then it's not going to make any difference. That's the key.

So I want everybody here—as parents, as community members, as church members—to know that if we're supporting our kids and we are instilling the values of responsibility and hard work and excellence and second place isn't good enough, that's how America got built—that's how we're going to build up our education system, that's how we're going to improve our economy. Government can only do so much. We're going to be there to partner with you, but you're going to have to make it happen.

Thank you very much, everybody. God bless you. God bless the United States of America.

NOTE: The President spoke at 4:28 p.m. at Indian Hills Community College. In his remarks, he referred to Morgan Hoenig, owner, MogoOrganic; and President Hu Jintao of China. He also referred to his sister Maya Soetoro-Ng.

*Categories:* Addresses and Remarks : Ottumwa, IA, town hall meeting and question-and-answer session.

*Locations:* Ottumwa, IA.

*Names:* Culver, Chester J. "Chet"; Duncan, Arne; Helfenberger, Joe; Howard, Tara; Hu Jintao; Lindenmayer, Jim; Miller, Tom; Obama, Malia; Obama, Michelle; Obama, Natasha "Sasha"; Orman, Mary; Soetoro-Ng, Maya; Tafta, Joe; Uehling, Dale; Vilsack, Thomas J.

*Subjects:* Agriculture, Department of : Secretary; Arizona : Illegal immigration enforcement legislation; Armed Forces, U.S. : Funding; Budget, Federal : Accountability and transparency; Budget, Federal : Congressional spending restraint; Budget, Federal : Deficit; Budget, Federal : Foreign aid funding; Budget, Federal : Government programs, spending reductions; Business and industry : Banks and financial institutions :: Financial Crisis Responsibility Fee, proposed; Business and industry : Credit freeze situation; Business and industry : Entrepreneurship, promotion of; Business and industry : Global competitiveness; Business and industry : Labor unions; Business and industry : Labor unions, proposed legislation to expedite formation of; Business and industry : Manufacturing industry :: Decline; Business and industry : Manufacturing industry :: Strengthening efforts; Business and industry : Small and minority businesses; Business and industry : Wage discrimination; China : President; China : Trade and

economic practices; China : Trade with U.S.; Civil rights : Minorities :: Racial profiling; Commerce, international : Free and fair trade; Commerce, international : U.S. exports :: Expansion; Congress : Bipartisanship; Congress : Earmark reform; Defense and national security : Border security; Defense, Department of : Weapon Systems Acquisition Reform Act of 2009; Economy, national : American Recovery and Reinvestment Act of 2009; Economy, national : Credit markets, stabilization efforts; Economy, national : Economic concerns; Economy, national : Financial regulations, modernization efforts; Economy, national : Improvement; Economy, national : Recession, effects; Economy, national : Strengthening efforts; Education : Global competitiveness; Education : Parental involvement; Education : Postsecondary education :: Affordability; Education : Postsecondary education :: Community colleges; Education : Postsecondary education :: Student loans, elimination of subsidies to private providers; Education : Postsecondary education :: Tax credits, expansion; Education : Reform legislation, proposed; Education : School improvement and renovation; Education : Standards and school accountability; Education : Teachers; Education : Teachers unions; Education : Technology and innovation, expansion efforts; Education, Department of : Funding; Education, Department of : Race to the Top Fund; Education, Department of : Secretary; Employment and unemployment : Job creation and growth; Employment and unemployment : Job losses; Employment and unemployment : Outsourcing to foreign countries; Employment and unemployment : Unemployment insurance; Energy : Alternative and clean energy products and technologies, Federal incentives to use; Energy : Alternative and renewable sources and technologies; Energy : Alternative energy products and technologies, U.S. production; Energy : Biofuels and ethanol; Energy : Foreign sources; Energy : Renewable energy, tax incentives; Energy : Solar and wind energy; Environment : Community waste water management programs, Federal assistance; Health and medical care : Health insurance exchange; Health and medical care : Health insurance, protection of coverage; Health and medical care : Insurance coverage and access to providers; Health and medical care : Medicare and Medicaid; Health and medical care : Patient Protection and Affordable Care Act; Health and medical care : Seniors, prescription drug benefits; Health and medical care : Small businesses, tax credits to purchase insurance coverage; Health and medical care : Young adults, insurance coverage as dependents, age limit extension; Health and medical care Medicare and Medicaid; Health Care and Education Reconciliation Act of 2010; Homeland Security, Department of : Undocumented workers, reduction efforts; Housing : First-time home purchase, tax credit; Housing : Housing market :: Decline; Immigration and naturalization : American "melting pot"; Immigration and naturalization : Citizenship; Immigration and naturalization : Illegal immigration; Immigration and naturalization : Reform; Iowa : Governor; Iowa : Jerry's Family Restaurant in Mount Pleasant; Iowa : Job creation and growth; Iowa : MogoOrganic farm in Mount Pleasant; Iowa : Ottumwa Job Corps Center; Iowa : President's visits; Iowa : Recession, effects; Iowa : Siemens Energy, Inc., in Fort Madison; Iowa : Solar and wind energy; Labor Relations Board, National; Labor, Department of : Workplace safety rules and regulations, enforcement; Legislation, proposed : "Restoring American Financial Stability Act of 2010"; Science and technology : Broadband technology; Small Business Administration : Credit and working capital loans, proposed increase; Social Security and retirement : Social Security program; Social Security and retirement : Social Security trust fund :: Solvency; Taxation : Tax relief; Transportation : Highway system, modernization efforts; Treasury, Department of the : Troubled Asset Relief Program.

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