

Administration of Barack H. Obama, 2010

The President's News Conference

September 10, 2010

The President. Have a seat, everybody. Good morning. Before I take your questions, I just want to talk a little bit about our continuing efforts to dig ourselves out of this recession and to grow our economy.

As I said in Cleveland on Wednesday, I ran for President because I believed the policies of the previous decade had left our economy weaker and our middle class struggling. They were policies that cut taxes, especially for millionaires and billionaires, cut regulations for corporations and for special interests, and left everyone else pretty much fend for themselves. They were policies that ultimately culminated in a financial crisis and a terrible recession that we're still digging out of today.

We came into office with a different view about how our economy should work. Instead of tax cuts for millionaires, we believe in cutting taxes for middle class families and small-business owners. We've done that.

Instead of letting corporations play by their own rules, we believe in making sure that businesses treat workers well and consumers friendly and play by the same rules as everyone else. So we've put in place commonsense rules that accomplish that.

Instead of tax breaks that encourage corporations to create jobs overseas, we believe in tax breaks for companies that create jobs right here in the United States of America. And so we've begun to do that.

We believe in investments that will make America more competitive in the global economy, investments in education and clean energy, in research and technology. And we're making those investments.

So these are the principles that have guided us over the last 19 months. And these are the principles that form the basis of the additional economic proposals that I offered this week. Because even though the economy is growing again and we've added more than 750,000 private sector jobs this year, the hole the recession left was huge and progress has been painfully slow. Millions of Americans are still looking for work. Millions of families are struggling to pay their bills or the mortgage. And so these proposals are meant to both accelerate job growth in the short term and strengthen the economy in the long run.

These proposals include a more generous, permanent extension of the tax credit that goes to companies for all the research and innovation that they do here in America. And I've proposed that all American businesses should be allowed to write off all the investments they do in 2011. This will help small businesses upgrade their plants and equipment and will encourage large corporations to get off the sidelines and start putting their profits to work in our economy.

We also announced a 6-year plan to rebuild America's roads and railways and runways. Already our investments in infrastructure are putting folks in the construction industry back to work. And this plan would put thousands more back to work, and it would help us remain competitive with countries in Europe and Asia that have already invested heavily in projects like high-speed railroads.

But one thing we can do next week is end a month-long standoff on a small-business jobs bill that's been held up in the Senate by a partisan minority. I realize there are plenty of issues in Washington where people of good faith simply disagree on principle. This should not and is not one of those issues.

This is a bill that does two main things: It gives small-business owners tax cuts, and it helps them get loans. It will eliminate capital gains taxes for key investments in 1 million small businesses. It will provide incentives to invest and create jobs for 4 million small businesses. It will more than double the amount some small-business owners can borrow to grow their companies. It's a bill that's paid for, a bill that won't add to the deficit. It has been written by Democrats and Republicans. It's a bill that's been praised by the Chamber of Commerce. And yet a minority of Republican Senators have been using legislative tactics to prevent the bill from even getting to a vote.

Now, I was pleased to see that yesterday Republican Senator George Voinovich of Ohio said he would refuse to support this blockade any longer. Senator Voinovich said, "This country is really hurting," and, "We don't have time anymore to play games." I could not agree more.

I understand there's an election coming up. But the American people didn't send us here to think about our jobs. They sent us here to think about theirs. And there are small businesses right now who are putting off plans to hire more workers because this bill is stalled. That's not the kind of leadership this country deserves. And I hope we can now move forward to get small-business owners the relief they need to start hiring and growing again.

And while we're on the subject of economics, I also want to make an announcement about my economic team. This week, Christina Romer returned to Berkeley after a tireless, outstanding tenure as Chair of the Council of Economic Advisers. Christy is brilliant, she is dedicated, and she was part of the team that helped save this country from a depression. So we're going to miss her dearly. But today I'm happy to announce Austan Goolsbee as her replacement.

Austan has been one of my good friends and close economic advisers for many years. He's one of the finest economists in the country, and he's worked as a member of the Council of Economic Advisers since we arrived here in Washington. He's not just a brilliant economist, he's someone who has a deep appreciation of how the economy affects everyday people, and he talks about it in a way that's easily understood. He already knows and works with the rest of the team very well. I have complete confidence he's going to do an outstanding job as CEA Chair.

And finally, tomorrow we will commemorate not only the heartbreak of September 11th but also the enduring values and resilient spirit of America. Both Michelle and I will be joining our fellow citizens in remembering those who were lost on that day and honoring all who exhibited such extraordinary heroism in the midst of tragedy. I'll have further remarks tomorrow, but for now, let me just note that tomorrow is a National Day of Service and Remembrance, and I hope each of us finds a way to serve our fellow citizens, not only to reaffirm our deepest values as Americans but to rekindle that spirit of unity and common purpose that we felt in the days that followed that September morning.

And now I'd be happy to take some questions, and I'm going to start with Darlene Superville of AP [Associated Press].

Mid-Term Elections/National Economy

Q. Thank you, Mr. President. You said this week that Democrats wouldn't do well in the November elections if it turns out to be a referendum on the economy. But with millions of people out of work and millions of people losing their homes, how could it not be a referendum on the economy and your handling of it, and why would you not welcome that?

The President. Well, the—what I said was that if it was just a referendum on whether we've made the kind of progress that we need to, then people around the country would say, we're not there yet. If the election is about the policies that are going to move us forward versus the policies that will get us back into a mess, then I think the Democrats will do very well, and here's why.

As I just indicated, middle class families had been struggling for a decade, before I came into office. Their wages and incomes had flatlined. They were seeing the cost of everything from health care to sending their kids to college going up. Job growth was the weakest of any economic expansion between 2001 and 2008 since World War II. The pace was slower than it's been over the last year.

So these policies of cutting taxes for the wealthiest Americans, of stripping away regulations that protect consumers, running up a record surplus to a record deficit, those policies finally culminated in the worst financial crisis we've had since the Great Depression. And for 19 months, what we have done is steadily worked to avoid a depression, to take an economy that was contracting rapidly and making it grow again; a situation where we were losing 750,000 jobs a month, and now we've had 8 consecutive months of private sector job growth; and made investments that are going to strengthen the economy over the long term.

But we're not there yet. I mean, we lost 4 million jobs in the 6 months before I was sworn in, and we lost 8 million jobs total during the course of this recession. That is a huge hole to dig ourselves out of. And people who have lost their jobs around the country and can't find one, moms who are sending out resumes and not getting calls back, worried about losing homes and not being able to pay bills, they're not feeling good right now. And I understand that.

And I ran precisely because I did not think middle class families in this country were getting a fair shake. And I ran because I felt that we had to have a different economic philosophy in order to grow that middle class and grow our economy over the long term.

Now, for all the progress we've made, we're not there yet. And that means that people are frustrated and that means people are angry. And since I'm the President and Democrats have controlled the House and the Senate, it's understandable that people are saying, what have you done?

But between now and November, what I'm going to remind the American people of is that the policies that we have put in place have moved us in the right direction and the policies that the Republicans are offering right now are the exact policies that got us into this mess. It's not a situation where they went and reflected and said to themselves, you know what, we didn't do some things right, and so we've got a whole bunch of new ideas out here that we want to present to you that we think are going to help put us on the path of strong growth. That's not what happens. The chairman of their committee has said, we would do the exact same things as we did before Obama took office. Well, we know where that led.

And a perfect example is the debate we're having on taxes right now. I have said that middle class families need tax relief right now. And I'm prepared to work on a bill and sign a bill this month that would ensure that middle class families get tax relief. Ninety-seven percent of Americans make less than \$250,000 a year or less. And I'm saying we can give those

families—97 percent—permanent tax relief. And by the way, for those who make more than \$250,000, they'd still get tax relief on the first \$250,000; they just wouldn't get it for income above that.

Now, that seems like a commonsense thing to do. And what I've got is the Republicans holding middle class tax relief hostage, because they're insisting we've got to give tax relief to millionaires and billionaires to the tune of about \$100,000 per millionaire, which would cost over the course of 10 years \$700 billion, and that, economists say, is probably the worst way to stimulate the economy. That doesn't make sense, and that's an example of what this election is all about.

If you want the same kinds of skewed policies that led us to this crisis, then the Republicans are ready to offer that. But if you want policies that are moving us out, even though you may be frustrated, even though change isn't happening as fast as you'd like, then I think Democrats are going to do fine in November.

Okay. Caren Bohan [Reuters].

Tax Reform

Q. Thank you, Mr. President. You're looking for Republican help on the economic proposals that you unveiled this week, and you also mentioned the small-business bill. But you're at odds with them over tax cuts. Is there room for a middle ground whereby, for example, the tax cuts on the wealthy could be extended for a period of time and then allowed to expire?

The President. Well, certainly there is going to be room for discussion. My hope is, is that on this small-business bill that is before the Senate right now, that we actually make some progress. I still don't understand why we didn't pass that 2 months ago. As I said, this was written by Democrats and Republicans. This is a bill that traditionally you'd probably get 90 percent or 100 percent Republican support. But we've been playing politics for the last several months. And if the Republican leadership is prepared to get serious about doing something for families that are hurting out there, I would love to talk to them.

Now, on the high-income tax cuts, my position is, let's get done what we all agree on. What they've said is they agree that the middle class tax cut should be made permanent. Let's work on that. Let's do it. We can have a further conversation about how they want to spend an additional \$700 billion to give an average of \$100,000 to millionaires. That, I think, is a bad idea. If you were going to spend that money, there are a lot better ways of spending it. But more to the point, these are the same folks who say that they're concerned about the deficits. Why would we borrow money on policies that won't help the economy and help people who don't need help?

But setting that aside, we've got an area of agreement, which is, let's help families out there who are having a tough time. As I said, we could, this month, give every American certainty and tax relief up to \$250,000 a year. Every single American would benefit from that. Now, people who make \$250,000 a year or less, they'd benefit on all their income. People who make a million dollars would benefit on a quarter of their income. But the point is, is that that's something that we can all agree to. Why hold it up? Why hold the middle class hostage in order to do something that most economists don't think makes sense?

Q. So are you ruling out a deal with Republicans on tax cuts for the wealthiest?

The President. What I'm saying is let's do what we agreed to and that the Americans—people overwhelmingly agreed to, which is, let's give certainty to families out there that are having a tough time.

Chip Reid [CBS News].

Economic Reform Agenda

Q. Thank you, Mr. President. On the economic package that you rolled out earlier this week, first on the business tax cuts. Why did you wait until this superheated campaign season to roll it out? A lot of your critics and even some Democrats say, well, clearly he's just using this for political purposes, he doesn't have any expectation it's actually going to be passed, it's a political weapon. Why did you wait so long to bring that out?

And on the stimulus part, we can't get people in the White House to say it is a stimulus—\$50 billion for roads and other infrastructure, but they avoid the word "stimulus" like the plague. Is that because the original stimulus is so deeply unpopular? And if so, why is it so unpopular?

The President. Well, let me go back to when I first came into office. We had an immediate task, which was to rescue an economy that was tipping over a cliff. And we put in place an economic plan that 95 percent of economists say substantially helped us avoid a depression.

A third of those were tax cuts, by the way. A third of that economic plan was tax cuts for individuals and for small businesses. So we haven't—this notion that we waited until now to put forward a series of plans, Chip, we've—just on the small-business issue alone, we have cut taxes for small businesses eight times during the course of the last 18 months. So we're hardly Johnny-come-latelies on this issue.

Now, when you put all the things we've done together, it has made a difference. Three million people have jobs that wouldn't have them otherwise had we not taken these steps. The economy would be in much worse shape. But as I said before, we're not where we need to go yet, which means that if we're not there yet, what else can we do?

And the proposals that we've put forward are ones that historically, again, have garnered bipartisan support: a research and development tax credit so that companies that are investing in research here in the United States, which is part of what's going to keep us growing and keep us innovative, let's make sure that companies are strongly incentivized to do that; making sure that their expensing accelerated business depreciation is happening in 2011 so that if companies are sort of sitting on the sidelines right now, not sure whether they should invest, let's give them incentive to go ahead and invest now to give that a jump-start.

On infrastructure, we've got a highway bill that traditionally is done every 6 years. And what we're saying is let's ramp up what we're doing, let's beef it up a little bit, because we've got this infrastructure all across the country that everybody from Governors to mayors to economists to engineers of all political stripes have said is holding us back in terms of our long-term competitiveness. Let's get started now rebuilding America.

And in terms of paying for some of these things, let's stop giving tax breaks to companies that are shipping jobs overseas, let's stop incentivizing that. Let's give tax breaks to companies that are investing right here in the United States of America.

Those are all commonsense approaches. Historically, as you know—you've been around this town for a long time—usually, Republicans and Democrats agree on infrastructure.

Usually, Republicans and Democrats agree on making sure that research and development investments are made right here in the United States. And so let's get it done.

It has nothing to do with the notion that somehow what we did previously didn't work. It worked. It just hasn't done as much as we need it to do. We've still got a long ways to go, and we're going to keep on doing it.

Q. So this is a second stimulus? [*Laughter*]

The President. Here's how I would—there is no doubt that everything we've been trying to do—everything we've been trying to do is designed to stimulate growth and additional jobs in the economy. I mean, that's our entire agenda. So I have no problem with people saying, the President is trying to stimulate growth and hiring. Isn't that what I should be doing? I would assume that's what the Republicans think we should do, to stimulate growth and jobs. And I will keep on trying to stimulate growth and jobs for as long as I'm President of the United States.

Hans Nichols [Bloomberg News].

Consumer Financial Protection Bureau

Q. Thank you, Mr. President. I'd ask you to—[*inaudible*—so I'll ask my real question. It's now been more than 2 months since the financial regulatory reform bill has passed. A centerpiece of that was what you talked about as a Consumer Financial Protection Bureau. And yet you haven't named a head. Is Elizabeth Warren still a leading candidate? And if not, are you worried about some sort of Senate hurdle for her confirmation? Thank you.

The President. Yeah. This is a great opportunity to talk to the American people about what I do think is going to be hugely helpful to middle class families in the years and decades to come, and that is an agency that has been set up, an independent agency, whose sole job is to protect families in their financial transactions. So if you are getting a credit card, we are going to have an agency that makes sure that that credit card company can't jack up your rates without any reason—including on old balances. And that could save American consumers tens of billions of dollars just in the first couple of years.

If you are out there looking for a mortgage—and we all know that part of the problem with the financial crisis was that folks were peddling mortgages that were unstable, that had these huge balloon payments that people didn't fully understand well. Now there's going to be some oversight in terms of how mortgages are shaped, and people are going to actually have to know what they're getting and what they're buying into. That's going to protect the economy as well as individual consumers.

So this agency, I think, has the capacity to really provide middle class families the kind of protection that's been lacking for too long.

Now, the idea for this agency was Elizabeth Warren's. She's a dear friend of mine. She's somebody I've known since I was in law school. And I have been in conversations with her. She is a tremendous advocate for this idea. It's only been a couple of months, and this is a big task standing up this entire agency, so I'll have an announcement soon about how we're going to move forward. And I think what's fair to say is, is that I have had conversations with Elizabeth over the course of these—over these last couple of months. But I'm not going to make an official announcement until it's ready.

Senate Confirmations

Q. Are you unofficially concerned about a Senate confirmation?

The President. I'm concerned about all Senate confirmations these days. I mean, if I nominate somebody for dogcatcher——

Q. But with respect to Elizabeth Warren, are you——

The President. Hans, I wasn't trying to be funny. I am concerned about all Senate nominations these days. I've got people who have been waiting for 6 months to get confirmed who nobody has an official objection to and who were voted out of committee unanimously, and I can't get a vote on them.

We've got judges who are pending. We've got people who are waiting to help us on critical issues like homeland security. And it's very hard when you've got a determined minority in the Senate that insists on a 60-vote filibuster on every single person that we're trying to confirm, even if after we break the filibuster, it turns out that they get 90 votes. They're just playing games. And as I think Senator Voinovich said very well, it's time to stop playing games.

All right. Chuck Todd [NBC News].

Administration Accomplishments/Bipartisanship

Q. Given the theme, I think, of all of your answers, I've just got a short question for you. How have you changed Washington?

The President. Well, I'll tell you how we've changed Washington. Prior to us getting here, as I indicated before, you had a set of policies that were skewed towards special interests, skewed towards the most powerful, and ordinary families out there were being left behind. And since we've gotten here, whether it's making sure that folks who can't get health insurance because of preexisting condition can now get health insurance or children who didn't have coverage now have coverage; whether it's making sure that credit card companies have to actually post in understandable ways what your credit card rates are and they can't jack up existing balances in arbitrary ways; whether it's making sure that we've got clean water and clean air for future generations; whether it's making sure that tax cuts go to families that need it, as opposed to folks who don't—on a whole range of issues over the last 18 months, we've put in place policies that are going to help grow a middle class and lay the foundation for long-term economic growth.

Now, if you're asking, why haven't I been able to create a greater spirit of cooperation in Washington, I think that's fair. I'm as frustrated as anybody by it. I think part of it has to do with the fact that when we came into office, we came in under very tough economic circumstances, and I think that some of the Republican leaders made a decision: We're going to sit on the sidelines and let the Democrats try to solve it. And so we got a lot of resistance very early.

I think what's also true is, is that when you take on tough issues like health care or financial regulatory reform, where special interests are deeply entrenched, there's a lot of money at stake for them, and where the issues are so complicated that it drags on for a long time, you end up having a lot of big fights here in town. And it's messy, and it's frustrating and——

Q. [Inaudible]

The President. Well, the—and so there is no doubt that an option that was available to me when I came in was not to take on those issues. I mean, we could have decided, you know

what, even though we know that the pace of accelerating health care costs is going to bankrupt this economy and bankrupt businesses and bankrupt individuals, and even though we know that there are 30 million people—and that's a growing number of people—who don't have health insurance, we could have said, you know what, that's just too controversial, let's not take it on. And we could have said with respect to financial regulatory reform, you know what, we're just going to get too much resistance from Republicans, we shouldn't take that on.

I don't think that's the kind of leadership that the American people would want from their President. And are there things that I might have done during the course of 18 months that would at the margins have improved some of the tone in Washington? Probably. Is some of this just a core difference in approach, in terms of how we move this country forward, between Democrats and Republicans? I'd say the answer is a lot more the latter.

Anne Kornblut [Washington Post].

Muslim World/Religious Freedom and Tolerance

Q. Thank you, Mr. President. Nine years after the September 11th attacks, why do you think it is that we are now seeing such an increase in suspicion and outright resentment of Islam, especially given that it has been one of your priorities to increase—to improve relations with the Muslim world?

The President. I think that at a time when the country is anxious generally and going through a tough time, then fears can surface, suspicions, divisions can surface in a society. And so I think that plays a role in it.

One of the things that I most admired about President Bush was after 9/11, him being crystal-clear about the fact that we were not at war with Islam. We were at war with terrorists and murderers who had perverted Islam, had stolen its banner to carry out their outrageous acts. And I was so proud of the country rallying around that idea, that notion that we are not going to be divided by religion; we're not going to be divided by ethnicity. We are all Americans. We stand together against those who would try to do us harm.

And that's what we've done over the last 9 years. And we should take great pride in that. And I think it is absolutely important now for the overwhelming majority of the American people to hang on to that thing that is best in us, a belief in religious tolerance, clarity about who our enemies are—our enemies are Al Qaida and their allies who are trying to kill us, but have killed more Muslims than just about anybody on Earth. We have to make sure that we don't start turning on each other.

And I will do everything that I can as long as I am President of the United States to remind the American people that we are one nation under God, and we may call that God different names, but we remain one nation. And as somebody who relies heavily on my Christian faith in my job, I understand the passions that religious faith can raise. But I'm also respectful that people of different faiths can practice their religion, even if they don't subscribe to the exact same notions that I do, and that they are still good people, and they are my neighbors, and they are my friends, and they are fighting alongside us in our battles.

And I want to make sure that this country retains that sense of purpose. And I think tomorrow is a wonderful day for us to remind ourselves of that.

Natasha Mozgovaya of Haaretz. Is she here? Natasha—there you are back there.

Middle East Peace Process

Q. Mr. President, back in the region, the Palestinian and the Israeli leaders, they sound a bit less ready for this historic compromise. President Abbas, for example, said the Palestinians won't recognize Israel as a Jewish state. The question is, if these talks fail at an early stage, will this administration disengage? Or maybe you're ready to step up and deepen your personal involvement.

The President. President Abbas and Prime Minister Netanyahu were here last week, and they came with a sense of purpose and seriousness and cordiality that, frankly, exceeded a lot of people's expectations. What they said was that they were serious about negotiating. They affirmed the goal of creating two states, living side by side in peace and security. They have set up a schedule where they're going to meet every two weeks. We are actively participating in that process. Secretary of State Hillary Clinton will be flying to the Middle East for the first series of next meetings on September 14th and 15th.

And so what we've done is to bring the parties together to try to get them to recognize that the path for Israeli security and Palestinian sovereignty can only be met through negotiations. And these are going to be tough negotiations. There are enormous hurdles between now and our end point, and there are going to be a whole bunch of folks in the region who want to undermine these negotiations. We saw it when Hamas carried out these horrific attacks against civilians and explicitly said, we're going to try to do this to undermine peace talks. There are going to be rejectionists who suggest that it can't happen, and there are also going to be cynics who just believe that the mistrust between the sides is too deep.

We understood all that. We understood that it was a risk for us to promote these discussions. But it is a risk worth taking, because I firmly believe that it is in America's national security interests, as well as Israel's national security interests, as well as in the interests of the Palestinian people, to arrive at a peace deal.

Part of the reason that I think Prime Minister Netanyahu was comfortable coming here was that he's seen, during the course of 18 months, that my administration is unequivocal in our defense of Israel's security. And we've engaged in some unprecedented cooperation with Israel to make sure that they can deal with any external threats. But I think he also came here understanding that to maintain Israel as a Jewish state that is also a democratic state, this issue has to be dealt with.

I think President Abbas came here, despite great misgivings and pressure from the other side, because he understood the window for creating a Palestinian state is closing. And there are a whole bunch of parties in the region who purport to be friends of the Palestinians and yet do everything they can to avoid the path that would actually lead to a Palestinian state, would actually lead to their goal.

And so the two parties need each other. That doesn't mean it's going to work. Ultimately, it's going to be up to them. We can facilitate; we can encourage; we can tell them that we will stand behind them in their efforts and are willing to contribute as part of the broader international community in making this work. But ultimately, the parties have to make these decisions for themselves.

And I remain hopeful, but this is going to be tough. And I don't want anybody out there thinking that it's going to be easy. The main point I want to make is it's a risk worth taking because the alternative is a status quo that is unsustainable.

And so if these talks break down, we're going to keep on trying. Over the long term, it has the opportunity, by the way, also to change the strategic landscape in the Middle East in a way

that would be very helpful. It would help us deal with an Iran that has not been willing to give up its nuclear program. It would help us deal with terrorist organizations in the region. So this is something in our interests. We're not just doing this to feel good. We're doing it because it will help secure America as well.

Jake Tapper [ABC News].

Religious Tolerance/Health Care Reform/Mid-Term Elections

Q. Thank you, Mr. President. A couple questions: First, were you concerned at all when you—when the administration had Secretary of Defense Gates call this pastor in Florida that you were elevating somebody who is clearly from the fringe?

And then more substantively, on health care reform, this is 6 months since health care passed. You pledged, A, that you would bend the cost curve, and B, that you Democrats would be able to campaign on this. And CMS reported yesterday that the cost curve is actually bending up, from 6.1 percent to 6.3 percent, post-health care legislation. And the only Democrats I've seen talking about health care legislation are running TV ads saying that they voted against it.

Thank you.

The President. With respect to the individual down in Florida, let me just say—well, let me repeat what I said a couple of days ago. The idea that we would burn the sacred texts of someone else's religion is contrary to what this country stands for. It's contrary to what this country—this Nation was founded on. And my hope is, is that this individual prays on it and refrains from doing it.

But I'm also Commander in Chief, and we are seeing today riots in Kabul, riots in Afghanistan that threaten our young men and women in uniform. And so we've got an obligation to send a very clear message that this kind of behavior or threats of action put our young men and women in harm's way. And it's also the best imaginable recruiting tool for Al Qaida.

And although this may be one individual in Florida, part of my concern is to make sure that we don't start having a whole bunch of folks all across the country think this is the way to get attention. This is a way of endangering our troops—our sons and daughters, fathers and mothers, husbands and wives who are sacrificing for us to keep us safe. And you don't play games with that.

So I hardly think we're the ones who elevated this story. But it is, in the age of the Internet, something that can cause us profound damage around the world, and so we've got to take it seriously.

With respect to health care, what I said during the debate is the same thing I'm saying now and it's the same thing I will say 3 or 4 years from now. Bending the cost curve on health care is hard to do. We've got hundreds of thousands of providers and doctors and systems and insurers. And what we did was we took every idea out there about how to reduce or at least slow the costs of health care over time.

But I said at the time, it wasn't going to happen tomorrow, it wasn't going to happen next year. It took us decades to get into a position where our health care costs were going up 6, 7, 10 percent a year. And so our goal is to slowly bring down those costs.

Now, we've done so also by making sure that 31 million people who aren't getting health insurance are going to start getting it. And we have now implemented the first phase of health care in a way that, by the way, has been complimented even by the opponents of health care reform. It has been smooth. And right now middle class families all across America are going to be able to say to themselves, starting this month, if I've got a kid who is under 26 and doesn't have health insurance, that kid can stay on my health insurance; if I've got a child with a preexisting condition, an insurer can't deny me coverage; if I get sick and I've got health insurance, that insurance company can't arbitrarily drop my coverage.

There are 4 million small businesses around the country who are already eligible and in some cases will be receiving a 35-percent tax break on health care for their employees. And I've already met small businesses around the country who say, because of that, I'm going to be able to provide health care for my employees, I thought it was the right thing to do. So—

Q. —the CMS study from February predicted a 6.1-percent increase, and now, post-health care, 6.3 percent. So it seems to have bent it up.

The President. No, as I said, Jacob, the—I haven't read the entire study. Maybe you have. But if you—if what—the reports are true, what they're saying is, is that as a consequence of us getting 30 million additional people health care, at the margins, that's going to increase our costs. We knew that. We didn't think that we were going to cover 30 million people for free, but that the long-term trend in terms of how much the average family is going to be paying for health insurance is going to be improved as a consequence of health care.

And so our goal on health care is, if we can get, instead of health care costs going up 6 percent a year, it's going up at the level of inflation, maybe just slightly above inflation, we've made huge progress. And by the way, that is the single most important thing we could do in terms of reducing our deficit. That's why we did it, that's why it's important, and that's why we're going to implement it effectively.

Q. Sorry, and then the House Democrats running against health care—if you could comment on that.

The President. Well, there are—we're in a political season where every candidate out there has their own district, their own makeup, their own plan, their own message. And in an environment where we've still got 9.5 percent unemployment, people are going to make the best argument they can right now. And they're going to be taking polls of what their particular constituents are saying, and trying to align with that oftentimes. That's how political races work.

April Ryan [American Urban Radio Networks].

Agriculture Class-Action Lawsuit Settlements/National Economy/Education Reform

Q. Thank you, Mr. President. I want to ask a couple questions. On the economy, could you discuss your efforts at reviewing history as it relates to the poverty agenda, meaning LBJ and Dr. King?

And also, since Senate Republicans are holding up the issue of *Cobell* and *Pigford* too, can you make any assurances before you leave office that you will make sure that those awards are funded?

The President. Let me take the second question first. For those who aren't familiar, *Cobell* and *Pigford* relate to settlements surrounding historic discrimination against minority farmers who weren't oftentimes provided the same benefits as everybody else under the USDA.

It is a fair settlement. It is a just settlement. We think it's important for Congress to fund that settlement. We're going to continue to make it a priority.

With respect to the history of fighting poverty, I got my start in public service as a community organizer working in the shadow of steel plants that had been closed in some of the poorest neighborhoods on the south side of Chicago. That's what led me to want to serve. And so I am constantly thinking about how do we create ladders for communities and individuals to climb into the middle class.

Now, I think the history of antipoverty efforts is, is that the most important antipoverty effort is growing the economy and making sure there are enough jobs out there—single most important thing we can do. It's more important than any program we could set up. It's more important than any transfer payment that we could have. If we can grow the economy faster and create more jobs, then everybody is swept up into that virtuous cycle. And if the economy is shrinking and things are going badly, then the folks who are most vulnerable are going to be those poorest communities.

So what we want to focus on right now is broad-based job growth and broad-based economic expansion. And we're doing so against some tough headwinds, because as I said, we are coming out of a very difficult time. We've started to turn the corner, but we're not there yet.

And so that is going to be my central focus: How do I grow the economy? How do I make sure that there's more job growth?

That doesn't mean that there aren't some targeted things we can do to help communities that are especially in need. And probably the most important thing we can do after growing the economy generally is how can we improve school systems in low-income communities. And I am very proud of the efforts that we've made on education reform, which have received praise from Democrats and Republicans. This is one area where actually we've seen some good bipartisan cooperation.

And the idea is very simple: If we can make sure that we have the very best teachers in the classroom, if we can reward excellence instead of mediocrity and the status quo, if we can make sure that we're tracking progress in real, serious ways, and we're willing to make investments in what goes on in the classroom and not the school bureaucracy, and reward innovation, then schools can improve. There are models out there of schools in the toughest inner-city neighborhood that are now graduating kids, 90 percent of whom are going to college. And the key is, how do we duplicate those?

And so what our Race to the Top program has done is it's said to every State around the country, instead of just getting money based on a formula, we want you to compete. Show us how you are reforming your school systems to promote excellence, based on proven ideas out there. And if you do that, we're going to reward you with some extra money. And just the competition alone has actually spurred 46 States so far to initiate legislation designed to reform the school system.

So we're very proud of that, and that, I think, is going to be one of the most important things we can do. It's not just, by the way, K-12. It's also higher education. And as a consequence of a battle that we had—and it was a contentious battle—in Congress, we've been able to take tens of billions of dollars that were going to banks and financial intermediaries in the student loan program and said, we're going to give that money directly to students so that

they get more help going to college. And obviously, poor kids are the ones who are going to benefit most from those programs.

Helene Cooper [New York Times].

Military Operations in Afghanistan/Middle East Peace Process

Q. Thank you, Mr. President. Two questions—one on Afghanistan. How can you lecture Hamid Karzai about corruption when so many of these corrupt people are on the U.S. payroll?

And on the Middle East, do you believe that Israeli Prime Minister Benjamin Netanyahu should extend the settlement moratorium as a gesture to peace? And if he doesn't, what are you prepared to do to stop the Palestinians from walking?

The President. Okay. On Afghanistan, we are in the midst of a very difficult but very important project. I just want to remind people why we're there, the day before September 11th. We're there because that was the place where Al Qaida launched an attack that killed 3,000 Americans. And we want to make sure that we dismantle Al Qaida and that Afghanistan is never again used as a base for attacks against Americans and the American homeland.

Now, Afghanistan is also the second poorest country in the world. It's got an illiteracy rate of 70 percent. It has a multiethnic population that mistrusts, oftentimes, each other. And it doesn't have a tradition of a strong, central Government.

So what we have done is to say, we are going to—after 7 years of drift, after 7 years of policies in which, for example, we weren't even effectively training Afghan security forces, what we've done is to say, we're going to work with the Afghan Government to train Afghan security forces so they can be responsible for their own security. We are going to promote a political settlement in the region that can help to reduce the violence. We are going to encourage a Afghan Government that can deliver services for its people. And we're going to try to make sure that as part of helping President Karzai stand up a broadly accepted, legitimate Government, that corruption is reduced.

And we've made progress on some of those fronts. I mean, when it comes to corruption, I'll just give you an example. Four years ago, 11 judges in the Afghan legal system were indicted for corruption. This year, 86 were indicted for corruption. We have seen Afghan-led efforts that have gone after police commanders, significant business people in Afghanistan. But we're a long way from where we need to be on that.

And every time I talk to President Karzai, I say that as important as it is for us to help you train your military and your police forces, the only way that you are going to have a stable Government over the long term is if the Afghan people feel that you're looking out for them, and that means making sure that the tradition of corruption in the Government is reduced.

And we're going to keep on putting pressure on them on that front. Is it going to happen overnight? Probably not. Are there going to be occasions where we look and see that some of our folks on the ground have made compromises with people who are known to have engaged in corruption? We're reviewing all that constantly, and there may be occasions where that happens.

And I think you're certainly right, Helene, that we've got to make sure that we're not sending a mixed message here. So one of the things that I've said to my national security team is, let's be consistent in terms of how we operate across agencies. Let's make sure that our efforts there are not seen as somehow giving a wink and a nod to corruption. If we are saying

publicly that that's important, then our actions have to match up across the board. But it is a challenging environment in which to do that.

Now, with respect to Prime Minister Netanyahu and the Middle East, a major bone of contention during the course of this month is going to be the potential lapse of the settlement moratorium. The irony is, is that when Prime Minister Netanyahu put the moratorium in place, the Palestinians were very skeptical. They said, ah, this doesn't do anything. And it turns out, to Prime Minister Netanyahu's credit and to the Israeli Government's credit, the settlement moratorium has actually been significant. It has significantly reduced settlement construction in the region. And that's why now the Palestinians say, you know what, even though we weren't that keen on it at first or we thought it was just window dressing, it turns out that this is important to us.

What I've said to Prime Minister Netanyahu is that given so far the talks are moving forward in a constructive way, it makes sense to extend that moratorium so long as the talks are moving in a constructive way. Because ultimately, the way to solve these problems is for the two sides to agree what's going to be Israel, what's going to be the state of Palestine. And if you can get that agreement, then you can start constructing anything that the people of Israel see fit, in undisputed areas.

Now, I think the politics for Prime Minister Netanyahu are very difficult. His coalition—I think there are a number of members of his coalition who've said, we don't want to continue this. And so one of the things that I've said to President Abbas is, you've got to show the Israeli public that you are serious and constructive in these talks so that the politics for Prime Minister Netanyahu—if he were to extend the settlements moratorium—would be a little bit easier.

And one of the goals I think that I've set for myself and for my team is to make sure that President Abbas and Prime Minister Netanyahu start thinking about how can they help the other succeed, as opposed to how do they figure out a way for the other to fail. Because if they're going to be successful in bringing about what they now agree is the best course of action for their people, the only way they're going to succeed is if they are seeing the world through the other person's eyes. And that requires a personal relationship and building trust. Hopefully, these meetings will help do that. Okay?

Ann Compton [ABC Radio].

Guantanamo Bay Detention Center/Trials for Terrorist Suspects

Q. Mr. President, what does it say about the status of American system of justice when so many of those who are thought to be plotters for September 11th or accused or suspected terrorists are still awaiting any kind of trial? Are you—why are you still convinced that a civilian trial is correct for Sheikh—Khalid Sheikh Mohammed? And why has that stalled? And will Guantanamo remain open for another year?

The President. Well, we have succeeded on delivering a lot of campaign promises that we made. One where we've fallen short is closing Guantanamo. I wanted to close it sooner. We have missed that deadline. It's not for lack of trying. It's because the politics of it are difficult.

Now, I am absolutely convinced that the American justice system is strong enough that we should be able to convict people who murdered innocent Americans, who carried out terrorist attacks against us. We should be able to lock them up and make sure that they don't see the light of day. We can do that. We've done it before. We've got people who engaged in terrorist attacks who are in our prisons—maximum security prisons all across the country.

But this is an issue that has generated a lot of political rhetoric, and people, understandably, are fearful. But one of the things that I think is worth reflecting on after 9/11 is this country is so resilient, we are so tough, we can't be frightened by a handful of people who are trying to do us harm, especially when we've captured them and we've got the goods on them.

So I've also said that there are going to be circumstances where a military tribunal may be appropriate, and the reason for that is—and I'll just give a specific example. There may be situations in which somebody was captured in theater, is now in Guantanamo. It's very hard to piece together a chain of evidence that would meet some of the evidentiary standards that would be required in an Article 3 court. But we know that this person is guilty; there's sufficient evidence to bring about a conviction. So what I have said is the military commission system that we set up—where appropriate for certain individuals that would make it—it would be difficult to try in Article 3 courts for a range of reasons—we can reform that system so that it meets the highest standards of due process and prosecute them there.

And so I'm prepared to work with Democrats and Republicans. And we, over the course of the last year, have been in constant conversations with them about setting up a sensible system in which we are prosecuting, where appropriate, those in Article 3 courts. We are prosecuting others where appropriate through a military tribunal. And in either case, let's put them in prisons where our track record is they've never escaped. And by the way, just from a purely fiscal point of view, the costs of holding folks in Guantanamo is massively higher than it is holding them in a super maximum security prison here in the United States.

Q. How long for Khalid Sheikh Mohammed? Will that trial ever happen?

The President. Well, I think it needs to happen. And we're going to work with Members of Congress—and this is going to have to be on a bipartisan basis—to move this forward in a way that is consistent with our standards of due process, consistent with our Constitution, consistent also with our image in the world of a country that cares about rule of law. You can't underestimate the impact of that.

Al Qaida operatives still cite Guantanamo as a justification for attacks against the United States—still, to this day. And there's no reason for us to give them that kind of talking point when in fact we can use the various mechanisms of our justice system to prosecute these folks and to make sure that they never attack us again. Okay?

Ed Henry [Cable News Network].

Al Qaida Leadership

Q. Mr. President, you were talking about some of the Al Qaida leaders that you have captured. One that you have not is Usama bin Laden. Tomorrow is going to be 9 years since he was the mastermind of 3,000 Americans being killed. And what you said—obviously, the last administration had 7 years and couldn't do it. But what you said as President-elect to CBS is, quote, "I think capturing or killing bin Laden is a critical aspect of stamping out Al Qaida. He is not just a symbol. He is also the operational leader of an organization planning attacks against the U.S."

Do you still believe it's a critical part of your policy to capture or kill him? And do you think it's—isn't it a failure of your administration that here it's almost 2 years in—you campaigned saying you were going to run a smarter war on terror than the Bush administration. You haven't captured him, and you don't seem to know where he is.

The President. Well, Ed, I think capturing or killing bin Laden and Zawahiri would be extremely important to our national security. It doesn't solve all our problems, but it remains a high priority of this administration.

One of the things that we've been very successful at over the last 2 years is to ramp up the pressure on Al Qaida and their key leaders. And as a consequence, they have been holed up in ways that have made it harder for them to operate. And part of what's happened is, bin Laden has gone deep underground. Even Zawahiri, who is more often out there, has been much more cautious.

But we have the best minds, the best intelligence officers, the best special forces, who are thinking about this day and night. And they will continue to think about it day and night as long as I'm President.

Q. But, sir, do you think Americans are going to face another 9 years of this terror threat, another generation? What's your message to them?

The President. Here's what I think. I think that in this day and age, there are going to be—there is always going to be the potential for an individual or a small group of individuals, if they are willing to die, to kill other people. Some of them are going to be very well organized and some of them are going to be random. That threat is there. And it's important, I think, for the American people to understand that and not to live in fear. It's just a reality of today's world that there are going to be threats out there.

We have, I think, greatly improved our homeland security since 9/11 occurred. I am constantly impressed with the dedication that our teams apply to this problem. They are chasing down every thread, not just from Al Qaida, but any other actor out there that might be engaging in terrorism. They are making sure that even a—what might appear to be a lone individual who has very little organizational capacity—if they make a threat, they follow up.

But one of the things that I want to make sure we do as long as I'm President and beyond my Presidency is to understand America's strength in part comes from its resilience, and that we don't start losing who we are or overreacting if in fact there is the threat of terrorism out there.

We go about our business. We are tougher than them. Our families and our businesses and our churches and mosques and synagogues and our Constitution, our values, that's what gives us strength. And we are going to have this problem out there for a long time to come. But it doesn't have to completely distort us. And it doesn't have to dominate our foreign policy. What we can do is to constantly fight against it. And I think ultimately we are going to be able to stamp it out. But it's going to take some time.

White House Press Secretary Robert L. Gibbs. Last question.

The President. Wendell [Wendell Goler, FOX News Channel].

Religious Freedom and Tolerance

Q. Thank you, Mr. President. I wonder if I can get you to weigh in on the wisdom of building a mosque a couple of blocks from Ground Zero. We know that the organizers have the constitutional right. What would it say about this country if they were somehow talked out of doing that? And hasn't the Florida minister's threat to burn a couple hundred copies of the Koran, hasn't the threat itself put American lives in danger, sir?

The President. Well, on the second—on your second question, there's no doubt that when someone goes out of their way to be provocative in ways that we know can inflame the passions of over a billion Muslims around the world, at a time when we've got our troops in a lot of Muslim countries, that's a problem. And it has made life a lot more difficult for our men and women in uniform who already have a very difficult job.

With respect to the mosque in New York, I think I've been pretty clear on my position here, and that is, is that this country stands for the proposition that all men and women are created equal, that they have certain inalienable rights—one of those inalienable rights is to practice their religion freely. And what that means is that if you could build a church on a site, you could build a synagogue on a site, if you could build a Hindu temple on a site, then you should be able to build a mosque on the site.

Now, I recognize the extraordinary sensitivities around 9/11. I've met with families of 9/11 victims in the past. I can only imagine the continuing pain and anguish and sense of loss that they may go through. And tomorrow we as Americans are going to be joining them in prayer and remembrance. But I go back to what I said earlier: We are not at war against Islam. We are at war against terrorist organizations that have distorted Islam or falsely used the banner of Islam to engage in their destructive acts.

And we've got to be clear about that. We've got to be clear about that because if we're going to deal with the problems that Ed Henry was talking about, if we're going to successfully reduce the terrorist threat, then we need all the allies we can get. The folks who are most interested in a war between the United States or the West and Islam are Al Qaida. That's what they've been banking on.

And fortunately, the overwhelming majority of Muslims around the world are peace-loving, are interested in the same things that you and I are interested in: How do I make sure I can get a good job? How can I make sure that my kids get a decent education? How can I make sure I'm safe? How can I improve my lot in life? And so they have rejected this violent ideology for the most part—overwhelmingly.

And so from a national security interest, we want to be clear about who the enemy is here. It's a handful, a tiny minority of people who are engaging in horrific acts and have killed Muslims more than anybody else.

The other reason it's important for us to remember that is because we've got millions of Muslim Americans, our fellow citizens, in this country. They're going to school with our kids. They're our neighbors. They're our friends. They're our coworkers. And when we start acting as if their religion is somehow offensive, what are we saying to them?

I've got Muslims who are fighting in Afghanistan in the uniform of the United States armed services. They're out there putting their lives on the line for us. And we've got to make sure that we are crystal-clear, for our sakes and their sakes, they are Americans and we honor their service. And part of honoring their service is making sure that they understand that we don't differentiate between them and us. It's just us.

And that is a principle that I think is going to be very important for us to sustain. And I think tomorrow is an excellent time for us to reflect on that.

Thank you very much, everybody.

NOTE: The President's news conference began at 11:02 a.m. in the East Room at the White House. In his remarks, the President referred to Rep. Pete Sessions; Elizabeth Warren, Leo Gottlieb Professor of Law, Harvard Law School; President Mahmoud Abbas of the Palestinian Authority; Terry Jones, pastor, Dove World Outreach Center, Gainesville, FL; and Ayman Al-Zawahiri, founder of the Egyptian Islamic Jihad and senior Al Qaida associate. A reporter referred to Khalid Sheikh Mohammed, former senior leader of the Al Qaida terrorist organization who is currently in U.S. military custody. The Office of the Press Secretary also released a partial Spanish language transcript of this news conference.

Categories: Interviews With the News Media : News conferences :: September 10.

Locations: Washington, DC.

Names: Abbas, Mahmoud; bin Laden, Usama; Bush, George W.; Clinton, Hillary Rodham; Gibbs, Robert L.; Goolsbee, Austan D.; Jones, Terry; Karzai, Hamid; Netanyahu, Benjamin; Obama, Michelle; Romer, Christina D.; Sessions, Pete; Voinovich, George V.; Warren, Elizabeth; Zawahiri, Ayman Al-

Subjects: Afghanistan : Afghan military and security forces; Afghanistan : Government corruption, efforts to eliminate; Afghanistan : President; Afghanistan : Reconciliation efforts; Afghanistan : U.S. military forces :: Deployment; Agriculture, Department of : *Pigford* class-action lawsuit on discrimination, settlement; American Indians and Alaska Natives : *Cobell* class-action lawsuit on Indian trust management, settlement; Armed Forces, U.S. : Servicemembers :: Deployment; Armed Forces, U.S. : Servicemembers :: Muslim servicemembers; Budget, Federal : Deficit and national debt; Business and industry : Credit cards, regulations and consumer protections; Business and industry : Domestic investment, proposed tax breaks for; Business and industry : Facility and equipment purchases, tax incentives; Business and industry : Global competitiveness; Business and industry : Home loan industry; Business and industry : Small businesses :: Hiring incentives, proposed; Business and industry : Small businesses :: Lending fund, proposed; Civil rights : Freedom of religion; Congress : Bipartisanship; Congress : Presidential nominations, confirmation process; Cuba : Guantanamo Bay, U.S. Naval Base, closure of detention facilities; Cuba : Guantanamo Bay, U.S. Naval Base, detention of alleged terrorists; Economic Advisers, Council of; Economy, national : Consumer Financial Protection Bureau; Economy, national : Economic concerns; Economy, national : Financial regulations, modernization efforts; Economy, national : Improvement; Economy, national : Poverty, efforts to combat; Economy, national : Recession, effects; Economy, national : Strengthening efforts; Education : Global competitiveness; Education : Postsecondary education :: Student loans, elimination of subsidies to private providers; Education : Standards and school accountability; Education : Teachers; Education, Department of : Race to the Top Fund; Elections : 2010 congressional elections; Employment and unemployment : Job creation and growth; Employment and unemployment : Job losses; Employment and unemployment : Unemployment rate; Energy : Alternative and renewable sources and technologies; Environment : Air quality, improvement efforts; Environment : Water :: Quality; Health and medical care : Cost control reforms; Health and medical care : Health insurance reforms; Health and medical care : Insurance coverage and access to providers; 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; Iran : Nuclear weapons development; Israel : Prime Minister; Israel : Relations with U.S.; Israel : West Bank :: Settlements; Israel : West Bank :: Shootings in Hebron; Judiciary : Federal court nominations and confirmations; Legislation, proposed : "Small Business Jobs and

Credit Act"; Middle East : Peace and democracy efforts; Middle East : Terrorism; New York : Mohammed, Khalid Sheikh, trial in New York City; Ohio : President's visits; Palestinian Authority and Palestinians : Hamas political-paramilitary organization; Palestinian Authority and Palestinians : President; Palestinian Authority and Palestinians : West Bank :: Israeli settlements; Palestinian Authority and Palestinians : West Bank :: Shootings in Hebron; Patriot Day and National Day of Service and Remembrance; Republican Party : Republican Congressional Committee, National; Science and technology : Research and development; State, Department of : Secretary; Taxation : Capital gains tax, proposed reduction; Taxation : Research and experimentation tax credit; Taxation : Tax cuts, budgetary effects; Taxation : Tax relief; Terrorism : Al Qaida terrorist group; Terrorism : Counterterrorism efforts; Terrorism : Global threat; Terrorism : September 11, 2001, attacks; Terrorism : Terrorists :: Prosecution; Transportation : High-speed rail lines, development and expansion; Transportation : Highway system, modernization efforts; Transportation : Mass transit and rail infrastructure, improvement efforts.

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