

*Administration of Barack Obama, 2011*

**Remarks at a Town Hall Meeting and a Question-and-Answer Session in Atkinson, Illinois**

*August 17, 2011*

*The President.* Hello, Atkinson! Thank you. Thank you, everybody. Thank you so much. Thank you. Everybody have a seat.

It is good to be back, back home. It is good to be back in Atkinson, good to be back in Henry County. I just came from the Whiteside County Fair. Got some Whiteside folks here. Spent some time with some cows. [*Laughter*]

I want to acknowledge a few people who are with us today, wonderful, wonderful folks. First of all, our Secretary of Transportation, Peoria's own Ray LaHood is in the house. Our outstanding Secretary of Agriculture Tom Vilsack is here. Mayor Gus Junior is in the house. I told Gus that I didn't have any gray hair either when I took office. [*Laughter*] So I just want you to know what you have ahead in store for you right here. [*Laughter*] But everybody tells me he's doing a great job.

I want to thank the Waffles family for—[*laughter*]—Wyffels, rather, excuse me. I haven't had lunch. [*Laughter*] I want to thank—I want to thank the Wyffels family for hosting us here today. Please give them a big round of applause.

I want to thank Lisa of Lisa's Place. Where's Lisa? Is that Lisa? Because Secret Service had to shut down the road and do all this stuff, I know some of you guys have not been able to enjoy her outstanding food. So as a consequence, my staff has been, I think, trying to eat up as much as possible. [*Laughter*] My understanding is I've got a pie coming. Is that correct? What kind of pie?

*Audience member.* [*Inaudible*]

*The President.* Coconut cream and a cinnamon roll. I'm very excited about that. [*Laughter*] Coconut cream is one of my favorite pies. So thank you.

And we also have here—Congressman Bobby Schilling is here.

Now, it is absolutely terrific to be back home. And I just want to first of all say to so many of you, I had a chance when I was still running for the United States Senate, and a lot of people did not know my name—this young lady, she's still got—she's got, like, a picture from the—

*Audience member.* [*Inaudible*]—autograph.

*The President.* I will sign it, of course I will.

And so as we've been traveling through the back roads of Iowa and now Illinois, it is such a reminder of why I decided to get involved in public service in the first place.

We've obviously been going through a tough time over these last 2½ years. Right? And we went through the worst recession since the Great Depression. We saw 8 million jobs lost, 4 million before I took office, and then another 4 million the first few months of 2009. A lot of small businesses got hit.

And so I think a lot of times there have been folks who said—who wonder whether our best days are still ahead of us or are they behind us. But I will tell you, when I travel through

downstate Illinois, when I travel through Iowa, when I travel through the Midwest, I am absolutely confident about this country. And the reason is because of you. The reason is because of the American people, because, as tough of a time as we've had, there is not a country on Earth that would not readily change places with us right now.

We've still got the best workers in the world. We've got the best entrepreneurs in the world. We've got the best scientists, the best universities. We have so much going for us, and you see it at a company like this one. I was talking to the Wyffel brothers, and they were telling me that they're now expanding, they've hired some new folks, they're starting to go into new markets around this region.

So we've got so much going for us. There's nothing wrong with our country right now. There is something wrong with our politics. There is something wrong with our politics.

When you look at this debacle we had with the debt ceiling and raising it, what you realize is, is that our politics—engaging in partisan brinksmanship and potentially seeing the first default of the United States of America—that that has no place in how we move forward together. When this country is operating off a common ground, nobody can stop us. But when we're divided, then we end up having a whole lot of self-inflicted problems.

Now, the fact of the matter is, is the economy has gotten better than it was when I first took office. I mean, we've seen over the last 17 months, 2 million—over 2 million private sector jobs created. But everybody here knows we've still got a long way to go, and it is urgent for us to make sure that we are joining together and not thinking about party first, not thinking about elections first, but thinking about country first. That's the message that we need to send to Washington.

There are some things that we could be doing right now to put our neighbors and our friends, some family members back to work. And over the last not just 2 days, but over the last several weeks, I've been talking about some additional things we need to do. There is no reason why we should not extend a payroll tax cut that put \$1,000 into the pockets of every single family out there. That means they've got more money to spend, that means businesses have more customers, that means the economy grows, and more people get hired. And we could renew it right now to give businesses certainty that they're going to have customers, not just this year, but next year as well.

The only thing holding us back is our politics. It's traditionally a bipartisan idea; there's no reason why we shouldn't pass it. There's no reason why we shouldn't put Americans back to work all across the country rebuilding America. As I was driving in here—as I was driving in here, I saw that a new fire station is being built, right?—thanks to the Recovery Act. Well, we need roads and bridges and schools all across the country that could be rebuilt. And all those folks who got laid off from construction because the economy went south or the housing bubble burst, they're dying for work. Contractors are willing to come in under budget and on time.

And interest rates are low, so we could finance right now the rebuilding of infrastructure all across America that drove not only unemployment in the construction industry down, but drove unemployment down across the board. And traditionally, that hasn't been a Democratic or a Republic issue, that's been an American issue. We've taken pride in rebuilding America.

The only thing that's holding us back right now is our politics. We should be passing trade deals right now because, look, the Koreans, they can sell Kias and Hyundais here in the United States; I think that's great. I want to be selling Fords and Chryslers and Chevys in Korea. And I

want products all across the world stamped with three words: Made in America. That's something that we could be doing right now.

There's a bill pending in Congress right now that's called the "America Invents" bill. It basically says entrepreneurs who are coming up with good ideas—let's say if the Wyffel brothers came up with a new strain, and they wanted to patent it in some way—make it easier for them so that they can market it and make money off it and hire people for it.

We could do that right now. The only thing that's holding us back is our politics. Look, over the last 6 months, even though the economy has been growing, even though the economy has been recovering, it has not recovered as fast as it could.

And some of those things are not in our control. We couldn't control the tsunami in Japan that disrupted supply chains. We could not control what happened in the Middle East that drove up gas prices. We don't have complete control over what happens in Europe with their problems. And all those things have affected our economy, but there are so many things that we've got control over right now that we could be doing to put people back to work.

And by the way, there's no reason to think that putting people back to work is somehow in conflict with us getting our fiscal house in order. You know, this downgrade that happened, they didn't downgrade us because America couldn't pay its bills. They downgraded it because they felt that our political system couldn't seem to make good decisions in order to deal with our budget the same way families deal with their budgets.

And so the fact of the matter is, is that we came close to a grand bargain, which would have said, we're going to cut spending we don't need in order to pay for the things we do. We're going to eliminate unnecessary programs so we can pay for student loans, so they can go to the University of Illinois or University of Iowa. We know that we've got to invest in basic research; that's part of what made us the most productive agricultural powerhouse in the world. So we don't want to cut back agricultural research in order to pay for it; we got to get rid of some things.

But what we've also said is we've got to do it in a balanced way. We've got to do it in a balanced way. A couple days ago, Warren Buffett wrote a op-ed piece in which he said, "It's time to stop coddling billionaires." And he pointed out that he pays a lower tax rate than anybody in his office, including his secretary. That doesn't make any sense.

If everybody took an attitude of shared sacrifice, that we're not going to put the burden on any single person, we can solve our deficit and debt problem next week. And it wouldn't require radical changes, but it does have to be balanced. I don't want a tax break, as lucky as I've been, if that tax break means that a senior citizen is going to have to pay an extra \$6,000 for their Medicare. That's not fair.

I think it makes sense before we ask that student to pay a little more for their student loan, we should ask those oil and gas companies to get rid of some corporate tax loophole that they don't need because they've been making record profits.

A lot of this is common sense. I was saying—I was at a town hall in a Minnesota—I pointed out, you know, when there have been times in my life, Michelle and I, things were a little tight, when we were just starting a family and had all these new expenses, and we had to make some choices. We didn't say to ourselves, well, we're not going to put any money into the college fund so we can keep on eating fancy dinners anytime we want. We didn't say to ourselves—I didn't say to Michelle, honey, you got to stop buying clothes, but I'm going to

keep my golf clubs. [Laughter] What we said was, well, let's figure out what are the things that are going to be important to our family to make sure it succeeds not just now, but in the long term; let's invest in those things and let's stop investing in the things that don't work. And the same approach has to be taken for the American family.

Now, what's been striking as I've been traveling through over the last few days—you guys, you're all fulfilling your responsibilities. You're working hard, you're looking after your families, you're volunteering at church, you're coaching Little League—you're doing everything right. And all you're asking for, if I'm not mistaken, is that your political representatives take their responsibilities just as seriously.

And part of that means that you have to put politics aside sometimes to do what's right for the country. People have been asking me, "Well, why didn't you call Congress back after this whole debt ceiling thing? Why'd you let them leave town?" I say, well, I don't think it would be good for business confidence and certainty just to see Members of Congress arguing all over again. I figured it was time for them to spend a little time back in their districts, hear your frustrations, hear your expectations.

As I've been driving on this bus, just seeing all those flags on the way in, seeing folks waving, little kids ready to go back to school, and grandparents in their lawn chairs, and folks out in front of the machine shop and out in front of the fire stations, you go through small towns all throughout America, and it reminds you how strong we are and how resilient we are and how decent we are. And that should be reflected in our politics; that should be reflected in our Government.

And that's why I'm enlisting you—that's why I've got to enlist you in this fight we have for our future. I need you to send a message. I need you to send a message to folks in Washington: Stop drawing lines in the sand; stop engaging in rhetoric instead of actually getting things done. It's time to put country ahead of party; it's time to worry more about the next generation than the next election. If we do that, I guarantee you, nobody can stop us, Atkinson. Nobody can stop the United States of America.

God bless you. Thank you.

So what I want to do is—now, I just want to take some questions. And it's not very formal, you just raise your hand. We got folks with microphones. I'm going to go boy, girl, boy, girl, so it's fair. [Laughter] And I'm going to try to get in as many questions as I can. So do stand up and introduce yourself, though. I want to know who I'm talking to.

All right? I'll start with this gentleman right here since he's right next to the mike.

### *Agriculture*

Q. Is it on?

*The President.* Yes, there you go.

Q. Rod Catchdig. Welcome to Atkinson, Mr. President.

*The President.* Thank you, sir.

Q. I farm north of here. We enjoy growing corn and soybeans, and we feel we do it as safely and efficiently as we possibly can. And Mother Nature has really challenged us this growing season—moisture, drought, whatever. Please don't challenge us with more rules and regulations from Washington, DC, that hinder us from doing that. We would prefer to start our

day in a tractor cab or combine cab rather than filling out forms and permits to do what we'd like to do.

*The President.* Well, we've got the Secretary of Agriculture right now, so is there a particular rule that you're worried about?

*Q.* We hear what's coming down about noise pollution, dust pollution, water runoff. Sometimes the best approach is just common sense, and we are already using that.

*The President.* Yes. Here's what I'd suggest is, the—if you hear something is happening, but it hasn't happened, don't always believe what you hear. [*Laughter*] No, and I'm serious about that. Because a lot of times, what will happen is the folks in Washington, there may be some staff person somewhere that wrote some article or said maybe we should look into something. And I'm being perfectly honest, the lobbyists and the associations in Washington, they'll get all ginned up and they'll start sending out notices to everybody saying, look what's coming down the pike. And a lot of times, we are going to be applying common sense. And if somebody has an idea, if we don't think it's a good idea, if we don't think that there's more benefit than cost to it, we're not going to do it.

And so I want to make sure that everybody gets accurate information. If you ever have a question as to whether we're putting something in place that's going to make it harder for you to farm, contact USDA. Talk to them directly. Find out what it is that you're concerned about. My suspicion is a lot of times they're going to be able to answer your questions, and it will turn out that some of your fears are unfounded.

But nobody is more interested in seeing our agricultural sector successful than I am, partly because I come from a farm State. And I spent a lot of time thinking about downstate issues as a United States Senator. And I'm very proud of the track record that we've developed. If you look at what's been happening in terms of agricultural exports—what's been happening in terms of agricultural income during the time that I've been President of the United States—I think we've got a great story to tell. And I want to continue to work with you and other farmers to make sure that we're doing it in the right way that's not inhibiting you from being successful.

*Q.* Thank you. We appreciate that.

*The President.* Appreciate you, sir. Young lady right back there with the glasses on. There she is.

### *Housing Market/Lines of Credit*

*Q.* Welcome, Mr. President, to Henry County. My name is LuAnn Levine, and I own a local real estate company here in Henry County, over in Geneseo. So you know we're I'm headed: housing. Every week, I sit around the kitchen table of families that are here today and I listen to the stories of a lost job, upside down in their house. And they ask, "LuAnn, how can you help? What programs are out there?"

I have to say, I saw a turnaround come May and June. My phone was ringing. I was busier than all get-out. I could see that the country—yes, we are in rehab. People have made adjustments and I saw progress.

Since the debt ceiling fiasco in Washington, the phones have stopped. We have no consumer confidence after what has just happened. Interest rates are a record low. I should be out working 14 hours a day, and I am not. What are your future plans in helping middle class

America: generation X and Y and middle class America will get the country out of where we are? And I want to know what are your continued plans.

*The President.* Well, first of all, you're absolutely right that housing has been at the key—at the core of a lot of the hardships we've been going through over the last 2½ years. And that's why we've made it such a priority to try to help families stay in their homes the last 2½ years. And that's why we've made it such a priority to try to help families stay in their homes if they can still afford the home. There were some folks who couldn't—who bought homes they couldn't afford, but there were a lot of folks who just had a run of bad luck because somebody lost a job or lost a shift. And so what we've been trying to do is push the banks, push the servicers to do loan modifications that will allow people to stay in their homes and will try to buck up housing prices generally.

Q. Can I please say——

*The President.* Sure, go ahead.

Q. ——the loan modification system has been a nightmare. Short sales are a nightmare. And the lenders are so tight, and you have to be so perfect, and it's not a perfect world.

*The President.* Well, what we've been trying to do is make sure that—we've probably had a couple of million loan modifications that have been taking place. The problem is, is that the housing market is so big. And so a lot of families have just had to work down their debts, and they've been successful. And as you said, we were starting to see things bottom out and confidence start picking up.

Now, I can't excuse the self-inflicted wound that was that whole debt debate. It shouldn't have happened the way it did. We shouldn't have gotten that close to the brink. It was inexcusable. But moving forward, I think a lot of this has to do with confidence, as you said.

Q. A hundred percent.

*The President.* Companies have never been more profitable. They're seeing record profits; it's just they're hoarding their cash, they're not investing it. A lot of banks have now recovered, but they're not lending the way they used to. Now, they need to have slightly tighter lending criteria than they used to have, obviously, because that was part of the reason that we had that housing bubble. But one of the things we've talked about is, can we encourage banks now to take a look at customers who are good credit risks, but are being unfairly punished as a consequence of what happened overall?

There are some other ideas that we're looking at on the housing front. But I'll be honest with you, when you've got many trillions of dollars' worth of housing stock out there, the Federal Government is not going to be able to do this all by itself. It's going to require consumers and banks and the private sector working alongside Government to make sure that we can actually get the housing moving back again. And it will probably take this year and next year for us to see a slow appreciation again in the housing market.

What we can do is make sure we don't do any damage. And that's what happened in this last month. That's why I was so frustrated by it, and I suspect that's why you were so frustrated by it as well.

Q. Very much.

*The President.* The last thing I'll say, though, is if we get the overall economy moving, if we pass this payroll tax cut, if we get some of these tax credits for businesses that we passed

back in December extended into next year so that we're giving incentives for folks to invest in plants and equipment now, if the overall economy is doing well, that means consumers are doing better; it also means that housing will start doing better as well.

All right? Thank you so much for your great question.

Q. Thank you.

*The President.* Gentleman in the glasses, right there. Yes, sir.

### *National Debt and Deficit/Federal Budget*

Q. Hi, Mr. President. My name is Larry Floriani and I work at the Rock Island Arsenal. And thanks a lot for coming to our town. We're really happy to have you here so we can talk to you.

*The President.* You bet.

Q. Okay, my question is, what do you think the Simpson-Bowles commission contributed to the deficit and debt discussion, and what do you expect will be accomplished by the new super congressional committee?

*The President.* Well, first of all, let me thank everybody who does work at the arsenal, because you guys are out there and you've been saving lives and making sure our troops are well equipped for generations now. So thank you.

The Bowles-Simpson committee, this is a committee that I set up to look at our current fiscal situation to see what could be done. And it was a bipartisan committee; it was chaired by a well-known Republican, Alan Simpson, former Senator, and Erskine Bowles, who used to be the Chief of Staff for Bill Clinton. And it had equal numbers of Democrats and Republicans, as well as business sector and private sector leaders.

And basically what they recommended was what I've been talking about, which is a balanced approach in which we're making some modifications to what's called discretionary spending—that's the spending we do every year on everything from farm programs to student loan programs to food stamps to you name it—that we cut defense spending in a sensible way, that we look at how we can make modifications that strengthen Social Security and Medicare for the next generation and how we raise additional revenue so that we bring the overall budget into a sustainable place.

And the truth of the matter is, is that the commission recommendations are ones that not only I, but the so-called Gang of Six, these Senators in the United States Senate, agreed to as well. And that was bipartisan; you had Democrats and Republicans.

It was that kind of balanced package that I proposed to Speaker John Boehner that we move forward on. And frankly, we came pretty close. And I'll tell you, I think Speaker Boehner was prepared to do it. But he got some resistance in his caucus, because they said, we're not going to vote for anything that has revenue in it.

And so instead of doing this big package that got our debt and our deficit sustainable, what we got was this \$1 trillion worth of cuts where we needed \$4 trillion to close the deficit and the debt, and we got this commission to come up with another 1.5.

Now, I continue to believe that we need a balanced approach. So when this committee comes forward, I'm going to be making a presentation that has more deficit reduction than the 1.5 trillion that they have been assigned to obtain. Because I don't think it's good enough for us

to just do it partway. If we're going to do it, let's go ahead and fix it. And if we're going to fix it, the only way, I believe, to do it in a sensible way is you've got to have everything on the table. You can't take things off the table.

And I've been concerned that Speaker Boehner has already said that the folks he assigned, none of them can vote to increase revenues. That's a concern of mine. I was concerned when I saw the Republican Presidential candidates, somebody asked them, "Well, if you got \$10 of spending cuts for every \$1 in additional revenue, would you be willing to accept it?" And all of them said no.

Now, that's just not common sense. That's—I can't imagine that's how Atkinson runs its operations, right? I mean, if the mayor had to deal with a situation in which we're not going to pay for anything—we're not going to pay for roads, we're not going to pay for schools, we're not going to pay for garbage pickup—you name it, we're not going to pay for it—but we still expect you to provide those services, the mayor would be in a pretty tough spot. There's no reason why we would expect the Federal Government to do the same—to operate in the same way.

So the bottom line is this: I will be presenting, as I've already presented—I did back earlier this year—a plan that says we're going to have spending cuts and we're going to have revenue. We'll have more spending cuts than we have revenue, but we're going to have to take a balanced approach and everything is going to be on the table, including our long-term obligations, because the thing that is driving the deficit, if you look at—we had a balanced budget back in 2000. Here's what happened. Number one is we decided that we would cut taxes without paying for it. So we had huge tax cuts in 2001, 2003. Then we had two wars. And for the first time in our history, we didn't pay for our wars. When our grandparents fought in World War II, the entire country paid for the wars that it fought. They didn't pass it onto the next generation, didn't put it on a credit card. We were the first generation not to pay for the wars that we fought.

And then we had a big prescription drug plan that was added to Medicare, and that wasn't paid for. Then the recession hits, which means less money is coming in, but more money is going out in terms of helping the unemployed or helping States and local governments not lay off teachers and firefighters and so on.

And you combine all those things, we've got a big debt and a big deficit. The good news is this is not—it doesn't require radical surgery for us to fix it. It just requires us all taking an approach that says we're a family and all of us are going to share a little bit in the burden. And those of us who are most fortunate, that we can do a little bit more.

And corporations, they can afford to close some loopholes and simplify the Tax Code to get it done. All right? Thank you.

All right, it's a—this young lady in the pink right here. Yes.

### *Employment Opportunities for Veterans/Job Creation*

Q. Hello. I'm Jan Lowhouse. I'm from Tiskilwa, Illinois.

*The President.* Good to see you, Jan.

Q. Thanks. It's about 30 miles east of here. It's a rural community based on farming. My question is about jobs. I think you have done some improvement in jobs, but what can you do without Congress today to make a change in jobs and so we can see a growth in job opportunities?

*The President.* Well, there are some things that we can do without Congress, and we're trying to do them. So, for example, I set up a jobs council made up of a lot of employers, both small businesses, but also some of the biggest companies in the world, and asked them what can we be doing to encourage job growth. And they've come up with a series of recommendations, some of which don't involve Congress at all, and we're trying to implement them.

So a while back, I announced we've got a lot of vets coming back from Afghanistan and Iraq who have incredible experience: 25-year-olds who were leading platoons into battle; 26-year-olds who were handling 100-million-dollar pieces of equipment. But the problem is, is that we're not doing as good of a job helping them market the skills and experience and leadership that they have to employers, and we're not linking them to employers who may be able to use their talents.

And so we just announced a couple weeks ago a whole new initiative where the Department of Defense is going to have a reverse boot camp. Just like you train folks to come into the military, you train them going out to figure out how they're going to get jobs. And we got commitments from local employers—from employers all across the country to say, we are going to hire veterans.

And in some cases, what we want to do is to change certifications, for example. I'll give you a good example. I had lunch with a group of veterans in Minnesota a couple days ago. One was an emergency medic who had been in theater. And you can imagine what that must be like.

And he had come back; he wanted to be a nurse. He was having to take the whole nursing program from scratch. And here he had been dealing with young men and young women in uniform who had had the worst kinds of medical emergency. He's patching them up under the most extraordinary strain. He's having to go back as if he'd never been in the medical field at all. Well, that's a waste of money. That doesn't make sense.

So those are examples of things that we can do administratively. The other thing, this gentleman here asked me about regulations. Well, one of the things we're doing is we're saying, show us particular regulations that may be getting in the way of you hiring. And there are going to be some that are important. We want clean air; we want clean water. But if there's a bunch of bureaucratic redtape and it's not actually improving the situation, let's figure out how to get rid of some existing rules, and let's review every rule that comes in for its costs and its benefits. Again, that's something that we can do administratively.

So there are some things that we can help on. But frankly, we could do a lot more if we got Congress's cooperation. And every proposal that I talked about previously, those are proposals that historically have had support from Republicans and Democrats. These aren't radical ideas. I mean, building roads, when did that become a partisan issue, putting folks back to work? Eisenhower built the Interstate Highway System—[*applause*]. Dwight Eisenhower built the Interstate Highway System; last time I checked, he was a very popular Republican.

But this is what I mean about politics getting in the way sometimes. You can't bring an attitude that says, I'd rather see my opponent lose than America win. You can't have that attitude.

This gentleman right here with the goatee there. There you go—mike is right there.

*Taxes*

Q. Thank you Mr. President. My name is Justin Hubbs. My question was just about revenue. I see a lot of the Republican Presidential nominees signing pledges not to raise taxes. I was wondering if you could make a pledge that any deal will have a revenue increase.

*The President.* Well, here's—it's just math. If you have a deal that does not have revenue in it and you still want to close the deficit by, say, \$4 trillion, which is what the experts say is required in order to stabilize our debt and our deficit—and this is over a 10-year period—if you have no revenue, then the only way to do that is you've got to drastically cut things like Medicare. You have to—there's no two ways about it. You've got to drastically cut Medicare; you've got to drastically cut Medicaid; you've got to cut back on education support in significant ways that affect school kids right here in Atkinson and all across the country.

So since I'm in Wyffels Hybrids, it's like eating your seed corn. You are cutting back on the things that are going to help you grow and help this country succeed over the long term. It's just not a smart thing to do. It's not how you would run your own family business. And so I think it's also important to understand that we can raise the kind of revenues we're talking about without having an impact on middle class families who are already struggling and haven't seen their wages and their incomes go up in over a decade now. That—it can be done. The Tax Code is full of loopholes. Close those loopholes.

When it comes to the corporate tax rate, we could actually lower the overall corporate tax rate, which would make us more competitive, if we closed up a whole bunch of these loopholes that special interests and lobbyists have been able to get into the Tax Code. It might put some lawyers out of business, but it would be the right thing to do.

And when it comes to upper-income folks—I talked about Warren Buffett—but the truth is—I'll just give you one example. The reason Warren Buffett's taxes are so low is because he typically gets his income from capital gains. Capital gains are taxed at 15 percent. Now, your income taxes, you're not being taxed at 15 percent, most of you. And as a consequence, these days the richer you are, the lower your tax rate. Now, that can't be something that is defensible, regardless of party. I don't care whether you're a Democrat or Republican, an Independent. That can't be the way it is.

One last point I want to make, though, about these pledges: I take an oath. My pledge is to make sure that every day I'm waking up looking out for you, for the American people. And so I don't go around signing pledges because I want to make sure that every single day, whatever it is that's going to be best for the American people, that's what I'm focused on, that's what I'm committed to. And that's how I think every representative in Congress should be thinking, not about some pledge that they signed for some special interest group or some lobbyist or some association somewhere. They should be waking up thinking what's best for the country.

All right. This young lady has been very patient right here. Yes, you.

### *Education*

Q. Hi, I'm Kelly Wyffels—relation to Bob and Bill—and I'm a student at Western Illinois University.

*The President.* What are you studying?

Q. I'm a supply chain management major and a French major. And I'm wondering what you think is one of the best majors to major in in order to get a job. Our professor seems to think that supply chain you get—there's a lot of job opportunities out there, but I wonder what other majors you think that are good for students to study.

*The President.* Well, first of all, I can tell you're going to be good, whatever you do. [Laughter] So when you finish, you let me know. We'll talk to LaHood or Vilsack, and we may hire you, because you seem very impressive.

Look, the—you're already ahead of the curve because what you understand is that the economy is changing, and the days when just because you're willing to work hard, you could automatically find a job, those days are over. The truth of the matter is, is that everything requires an education. I don't have to tell the farmers here. You guys are looking at GPS and have all kinds of equipment; you're studying markets around the world. And it is a complicated piece of business that you're engaged in. It's not just a matter of going out with a plow in a field.

And that's happened to every industry. When I go into factories these days, what's amazing is how clean and how quiet they are, because what used to take 1,000 folks to do now only takes 100 folks to do. And one of the challenges in terms of rebuilding our economy is businesses have gotten so efficient that—when was the last time somebody went to a bank teller instead of using the ATM or used a travel agent instead of just going online? A lot of jobs that used to be out there requiring people now have become automated. And that means us investing in our kids' education—nothing's more important. Nothing is more important.

Now, but you're also asking a good question, which is, don't just go to college without having some idea about what interests you. Now, this supply chain management I think is a great field, because the world is shrinking and products from Atkinson end up on a dinner table in China somewhere, and that means that people who understand how to move products and services and people in efficient ways, there's going to be high demand for them. So I don't think your professor is just trying to keep you in class; I think he actually is onto something here.

One of the things I'm worried about and we're trying to put a lot of emphasis on in the Department of Education is, can we do more to encourage math, science, engineering, technology learning. Because I can guarantee you, if you are a skilled engineer, if you are a skilled computer scientist, if you've got strong math skills and technical skills, you are going to be very employable in today's economy. And that has to start even before young people get to college. So we're trying to institute a whole—what's called a STEM program—science, technology, engineering and math—in the lower schools so that kids start getting oriented towards those fields. That's where we traditionally have had a comparative advantage, but we're losing ground to China and India and places like that where those kids are just focused on those subjects. And we need more of those, so you keep on studying the supply chain management.

I will tell you, though, just in case there are any French teachers here or foreign language teachers, having a foreign language, that's important too. That makes you so much more employable, because if you go to a company and they're doing business in France or Belgium or Switzerland or Europe somewhere, and they find out you've got that language skill, that's going to be important as well. And we don't do that as much as we should; we don't emphasize that as much as we should here in the United States. So congratulations; proud of you.

Q. Thanks.

*The President.* All right. A couple more? It's a guy's turn, isn't it? Well, I'm going to—I've got to call on this guy right here. What's your name, young man?

*Alternative Fuel Sources*

Q. My name is Alex McAvoy.

*The President.* Alex, how old are you?

Q. I'm 10—I'm 11, sorry. [*Laughter*]

*The President.* Eleven—you just—did you just have a birthday?

Q. Yes, yesterday.

*The President.* Yesterday was your birthday?

Q. Yes.

*The President.* Happy birthday.

Q. Thank you, Mr. President.

*The President.* Give Alex a big round of applause. He made 11.

Q. My grandpa is a farmer, and he owns part—well, yes, he owns part of the local ethanol plant. I was wondering, what are you going to do to keep the ethanol plant running?

*The President.* Well, that is a great question. Where is your grandpa? Is he close by?

Q. He lives in Geneseo.

*The President.* Oh, okay. He lives up there. Well, you're an excellent representative for your grandfather, I must say. [*Laughter*] We might have to hire you too. [*Laughter*] I think those of you know that when I was a State senator, when I was a United States Senator, I was a strong supporter of biofuels. I continue to be a strong supporter of biofuels. Tom Vilsack, as our Agricultural Secretary, continues to be a strong supporter of ethanol and biofuels.

I will say that the more we see the science, the more we want to find ways to diversify our biofuels so that we're not just reliant on corn-based ethanol. Now, we can do more to make corn-based ethanol more efficient than it is, and that's where the research comes in. And there are some wonderful research facilities in our own University of Illinois system that have done a lot to advance the science on this.

But the key going forward is going to be, can we create biofuels out of switchgrass and wood chips and other materials that right now are considered waste materials? And part of the reason that's important is because, as I think most farmers here know, particularly if you're in livestock farming, right now the costs of feed keep on going up, and the costs of food as a consequence are also going up. Only about 4 percent of that is accounted for by corn being diverted into ethanol, but as you see more and more demand placed on our food supplies around the world—as folks in China and folks in India start wanting to eat more meat and commodity prices start going up, it's going to be important for us to figure out how can we make biofuels out of things that don't involve our food chain.

And so, hopefully, your grandfather, with his ethanol plant, is starting to work with our Department of Agriculture to find new approaches to the biofuel industry. But this is a huge area of support. This is another example of where we've got to make sure that our budget continues to invest in basic research, and that costs money. And if all we're doing is cutting and we're not thinking about investments, then over time, we're going to fall behind to countries like Brazil, where they've already got a third, I think, of their auto fleet operates on biofuels. Well, that's—there's no reason why we should fall behind a country like Brazil when it comes

to developing alternative energy. I want to be number one in alternative energy, and that's good for the farm economy.

Yes, sir. Hold on right here.

### *Social Security/Medicare and Medicaid*

Q. Thank you, Mr. President, for being the President, and I also——

*The President.* Thanks.

Q. And I want to go home and maybe ask my mother to cook me a good meal so I could tell her that I lobbied you. She's a senior citizen. What's the likelihood of her Social Security getting the cost of living next year?

*The President.* Well, let me talk to you about Social Security. It is very likely that she will see a COLA, a cost-of-living increase, next year, because inflation actually rose this year. The reason that there were a couple of years where she did not get a cost-of-living increase was because even though she probably felt like the cost of food and gas and groceries were going up, the overall inflation index actually did not go up. There was a period there where we actually had what's called deflation, where the costs were a little bit lower than they had been comparable the previous year.

So all that is done automatically; it's not something that I make a decision about each year. And I promise you when folks don't get their COLA, they all write to me and say, why—"Mr. President, you didn't give us a cost of living, and don't you care about senior citizens." And I have to write back and explain to them, no, that's not something I did. These things just happen automatically based on estimates of what inflation is going to be.

While we're on the topic of Social Security, though, I want to make sure everybody understands, Social Security is not in crisis. We have a problem with Medicare and Medicaid because health care costs are going up so fast. Part of the reason we passed health care reform was to make sure that we could start changing how the health care system operates and try to reduce health care inflation.

But we have a genuine problem on Medicare and Medicaid: Health care costs are going up, but at the same time, there's a lot more folks who are entering into the system. And if we don't do anything about Medicare or Medicaid, it will gobble up our entire budget.

Social Security is in a better position. And so when I hear folks say, "Is Social Security going to be there for me 20 years from now?" Yes, it will be there for you 20 years from now. It should be there for you 30 or 40 years from now. And the adjustments that we have to make on Social Security are relatively modest. They're the kind of changes that Ronald Reagan and Tip O'Neill agreed to back in 1983 that created long-term solvency of the system. We can have Social Security solvent for another 75 years with just a few modest changes.

So when your grandmother—tell her it wasn't me who didn't give her her COLA the last couple years. In fact, we tried to pass through Congress a \$250 supplement because we knew seniors were having a tough time. We couldn't get it passed through Congress. But they should get some modest increase next year. Okay?

All right. I think I've got time for a couple more questions. One more? Oh, this is always a tough one, this last one. I'm going to call on—I'll just call on you. You're right there in front of me, and the mikes are already there. What's your name?

## *Government Assistance Programs/Federal Budget*

*Q.* Hi, my name is Pam Dennis. I actually work for the Community Action Agency that serves Henry County. I also serve on the Henry County FEMA board. And I understand that drastic cuts need to be made in order to balance our budget. But with the last couple years being so difficult for jobs, why are budget cuts to programs that are helping these people keep their heads above water? I'm referring to the LIHEAP program, Community Services, and Experience Works, those type of programs that are helping people keep their heads above water. Why couldn't we cut somewhere else and leave those alone for now or at least fewer—a lessened cut?

*The President.* Yes, well, first of all, I think it's important to understand if we take a balanced approach we don't need drastic cuts. The Low Income Housing Assistance Program, just to take one example, what we've done is we've said—we have modestly reduced it, but partly because we had increased it significantly right when the recession hit, and it turned out that we didn't need as much budgeted as was actually used. And obviously, it varies depending on the weather any given winter. But what we've tried to do is actually keep the bulk of that program in place, and folks will get help in the winter if they can't afford to buy home heating oil. That's not going away.

The general principle you're talking about is right though. We should not cut those things that help the folks who are most vulnerable if we can find other places to cut for folks that would be nice to have, but we don't need. I agree with that general principle.

When Congress gets back in September, my basic argument to them is this: We should not have to choose between getting our fiscal house in order and jobs and growth. We can't afford to do just one or the other. We got to do both. And by the way, the best thing we can do for our deficit and debt is grow the economy, because when the economy is growing, more money in people's pockets, they pay more in taxes, and there's more revenue, and fewer people are on unemployment. And that helps to reduce the strains on our budget.

So we've got to do both. And essentially, the best way for us to do this is to look at some of our long-term obligations and costs, figure out long-term savings that are gradually phased in so they don't hit too hard right now. In the short term, there should be some things that we do that are paid for by some of these long-term savings in order to get the economy rolling and to get the economy moving.

And some of the programs you mentioned, I think, are ones that in a wealthy and decent society like ours we should be able to help people make sure that they're not freezing during the winter. I mean, that's just, I think, a basic obligation we have to our fellow Americans.

## *Unemployment Insurance*

*Q.* Some of those programs are dependent upon the unemployment rate. My question is, with the unemployment rate, you're only counting the people who are actually on unemployment. It's not counting the people who worked a temporary job that was not eligible for unemployment or the people who were on unemployment and now that unemployment has ran out. So those people are not being counted.

So that affects specifically the FEMA funding that our Henry County gets. Henry County is not eligible for the FEMA money. They get the set-aside. And this year, because of the unemployment rate, we were not even able to get those set-aside funds. So I think that's kind of a skewed number by using the unemployment rate.

*The President.* Well, here's a basic principle: With the economy not growing as fast as we want it to, the need is going to outstrip our resources. I mean, we're—there's always going to be more need out there relative to the amount of money that the Federal Government can spend.

But I guess the main argument I'm making to you is that don't think that our choice is we've either got to stop our obligations to the most vulnerable or to our seniors or to our kids, or otherwise, the budget is just going to go sky high—or the deficit and debt are going to go sky high. We can do both in a sensible way.

And I will be presenting before this joint committee a very detailed, specific approach to this problem that allows us to grow jobs right now, provide folks who need help the help they need, and still gets our deficit and debt under control.

We do also have to look at some programs, because they may not be well designed, as well designed as they could be. I'll give you an example. Unemployment insurance, the way it's designed—it was designed back at a time when you'd have layoffs and then people would hire you back when the business cycle went back.

The economy is changing so fast right now, people are having to retrain; companies move to an entirely different State. We've got to rethink how we do unemployment insurance. There is a smart program in Georgia. What they do is they say, all right, instead of you just getting unemployment insurance, just a check, what we're going to do is we will give a subsidy to any company that hires you with your unemployment insurance so that you're essentially earning a salary and getting your foot in the door into that company. And if they hire you full time, then the unemployment insurance is used to subsidize you getting trained and getting a job. And so those kinds of adjustments to programs. We've got to be more creative in terms of not doing things the way we've always done them.

But let me just close by saying this, Atkinson. First of all, it is good to be back. I'm grateful to all of you for your extraordinary welcome and hospitality. Don't bet against America. Don't bet against our workers. Don't bet against our businesses.

We have gone through tougher times than this before, and we've always come out on top. As long as we pull together and as long as American know-how and ingenuity is promoted, there's no reason why we're not going to get this tough time just like we have before. And America is going to emerge stronger, more unified, more successful than it was in the past.

In order for that to happen, though, I'm going to need your help. I need your voices out there, talking to folks from both parties and telling them we expect you to show some cooperation, stop thinking about politics for a little bit, try to make sure that we're moving our country forward.

And if you're delivering that message, it's a lot stronger than me delivering that message, because you're the folks ultimately that put those Members of Congress into office.

All right? Thank you, everybody. God bless you. God bless America.

NOTE: The President spoke at 12:02 p.m. at the Wyffels Hybrids, Inc., production facility. In his remarks, he referred to August "Gus" Junior, village president, Atkinson, IL; Lisa L. Brants, owner, Lisa's Place restaurant; Robert and William Wyffels, Jr., owners, Wyffels Hybrids, Inc.; Warren E. Buffett, chief executive officer and chairman, Berkshire Hathaway Inc.; Erskine B. Bowles and Alan K. Simpson, Cochairs, National Commission on Fiscal Responsibility and

Reform; and Sens. Saxby Chambliss, Thomas A. Coburn, Kent Conrad, Michael D. Crapo, Richard J. Durbin, and Mark R. Warner.

*Categories:* Addresses and Remarks : Atkinson, IL, town hall meeting and a question-and-answer session.

*Locations:* Atkinson, IL.

*Names:* Boehner, John A.; Bowles, Erskine B.; Brants, Lisa L.; Buffett, Warren E.; Chambliss, Saxby; Clinton, William J.; Coburn, Thomas A.; Conrad, Kent; Crapo, Michael D.; Durbin, Richard J.; Junior, August "Gus"; LaHood, Raymond H.; Obama, Michelle; Schilling, Robert T.; Simpson, Alan K.; Vilsack, Thomas J.; Warner, Mark R.; Wyffels, Robert; Wyffels, William, Jr.

*Subjects:* Afghanistan : U.S. military forces :: Deployment; Agriculture : Strengthening efforts; Agriculture, Department of : Secretary; Brazil : Energy, alternate and renewable sources and technologies; Budget, Federal : Deficit and national debt; Budget, Federal : Entitlement spending, reform; Budget, Federal : Fiscal Responsibility and Reform, National Commission on; Budget, Federal : Government programs, spending reductions; Budget, Federal : Revenue :: Increase; Buffett, Warren E.; Business and industry : Domestic investment, tax breaks; Business and industry : Entrepreneurship :: Promotion efforts; Business and industry : Global competitiveness; Commerce, international : U.S. exports :: Expansion; Congress : Bipartisanship; Congress : House of Representatives :: Speaker; Economy, national : American Recovery and Reinvestment Act of 2009; Economy, national : Economic concerns; Economy, national : Government bonds, creditworthiness; Economy, national : Household incomes, decline; Economy, national : Improvement; Economy, national : Recession, effects; Economy, national : Strengthening efforts; Education : Global competitiveness; Education : Postsecondary education :: Affordability; Education : Postsecondary education :: Career training and continuing education; Education : School improvement and renovation; Education : Technology and innovation, expansion efforts; Employment and unemployment : Job creation and growth; Employment and unemployment : Job losses; Employment and unemployment : Job training assistance; Employment and unemployment : Unemployment insurance; Energy : Alternative and renewable sources and technologies : Promotion efforts; Energy : Biofuels and ethanol; Energy : Gasoline, oil, and natural gas costs; Europe : Financial markets :: Unrest; Federal : Budget Control Act of 2011; Government organization and employees : Federal regulations : Review; Health and medical care : Medicare and Medicaid; Health and Human Services, Department of : Low Income Home Energy Assistance Program (LIHEAP); Health and medical care: Seniors, prescription drug benefits; Health and medical care : Cost control reforms; Health and medical care : Medicare and Medicaid; Housing : Foreclosure avoidance efforts; Housing : Housing market :: Decline; Housing : Housing market :: Stabilization efforts; Illinois : President's visit; Iowa : President's visit; Iraq : U.S. military forces :: Deployment; Japan : Earthquake and tsunami, damage and recovery efforts; Middle East : Democracy efforts; Minnesota : President's visit; Science and technology : Patent approval process, improvement efforts; Science and technology : Research and development; Social security and retirement : Social Security program; Social security and retirement : Social Security trust fund :: Solvency; ; Economy, national : Economic concerns; Taxation : Capital gains tax; Taxation : Corporate tax rates; Taxation : Payroll tax cut; Taxation : Tax Code, reform; Transportation : Highway system, modernization effort; Transportation : Infrastructure, national, improvement efforts; Transportation, Department of : Secretary; Veterans : Unemployment and underemployment.

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