

*Administration of Barack Obama, 2011*

## **The President's News Conference**

*October 6, 2011*

*The President.* Good morning, everybody. I will take your questions in a second. But first, I just want to say a few words about the economy.

Next week, the Senate will vote on the "American Jobs Act." And I think by now I've made my views pretty well known. Some of you are even keeping a tally of how many times I've talked about the "American Jobs Act." And the reason I keep going around the country talking about this jobs bill is because people really need help right now. Our economy really needs a jolt right now.

This is not a game; this is not the time for the usual political gridlock. The problems Europe is having today could have a very real effect on our economy at a time when it's already fragile. But this jobs bill can help guard against another downturn if the situation in Europe gets any worse. It will boost economic growth; it will put people back to work.

And by the way, this is not just my belief. This is what independent economists have said, not politicians, not just people in my administration. Independent experts who do this for a living have said this jobs bill will have a significant effect for our economy and for middle class families all across America. And what these independent experts have also said is that if we don't act, the opposite will be true. There will be fewer jobs; there will be weaker growth.

So as we look towards next week, any Senator out there who's thinking about voting against this jobs bill when it comes up for a vote, needs to explain exactly why they would oppose something that we know would improve our economic situation at such an urgent time for our families and for our businesses.

Congressional Republicans say one of the most important things we can do is cut taxes. Then they should love this plan. This jobs bill would cut taxes for virtually every worker and small business in America. If you're a small-business owner that hires someone or raises wages, you would get another tax cut. If you hire a veteran, you get a tax cut. Right now there's a small business in Ohio that does high-tech manufacturing, and they've been expanding for the past 2 years. They're considering hiring more, and this tax break would encourage them to do it.

Hundreds of thousands of teachers and firefighters and police officers have been laid off because of State budget cuts. This jobs bill has funding to put a lot of those men and women back to work. It has funding to prevent a lot more from losing their job. I had a chance to meet a young man named Robert Baroz. He's an English teacher in Boston who came to the White House a few weeks ago. He's got two decades of teaching experience; he's got a master's degree; he's got an outstanding track record of helping his students make huge gains in reading and writing. In the last few years, he's received three pink slips because of budget cuts. Why wouldn't we want to pass a bill that puts somebody like Robert back in the classroom teaching our kids?

Some of you were with me when we visited a bridge between Ohio and Kentucky that's been classified as functionally obsolete. That's a fancy way of saying it's old and breaking down. We've heard about bridges in both States that are falling apart, and that's true all across the country.

In Maine, there is a bridge that is in such bad shape that pieces of it were literally falling off the other day. And meanwhile, we've got millions of laid-off construction workers who could right now be busy rebuilding roads, rebuilding bridges, rebuilding schools. This jobs bill gives them a chance to get back to work rebuilding America. Why wouldn't we want that to happen? Why would you vote against that?

The proposals in this bill are not just random investments to create make-work jobs, they are steps we have to take if we want to build an economy that lasts, if we want to be able to compete with other countries for jobs that restore a sense of security to middle class families. And to do that, we've got to have the most educated workers. We have to have the best transportation and communications networks. We have to support innovative small businesses. We've got to support innovative manufacturers.

Now, what's true is we've also got to rein in our deficits and live within our means, which is why this jobs bill is fully paid for by asking millionaires and billionaires to pay their fair share. And some see this as class warfare. I see it as a simple choice: We can either keep taxes exactly as they are for millionaires and billionaires, with loopholes that lead them to have lower tax rates in some cases than plumbers and teachers, or we can put teachers and construction workers and veterans back on the job.

We can fight to protect tax cuts for folks who don't need them and weren't asking for them, or we can cut taxes for virtually every worker and small business in America. But we can't afford to do both. That's the choice that's going to be before the Senate.

There are too many people hurting in this country for us to do nothing and the economy is just too fragile for us to let politics get in the way of action. We've got a responsibility to the people who sent us here. So I hope every Senator thinks long and hard about what's at stake when they cast their vote next week.

All right. With that, I will take your questions, and I will start with Ben Feller of Associated Press.

### *National Economy/Bipartisanship/Job Growth Legislation*

*Q.* Thank you very much, Mr. President. I'd like to ask you about two economic matters. Federal Reserve Chairman Bernanke warned Congress this week that the economic recovery is close to faltering. Do you agree?

And secondly, on your jobs bill, the American people are sick of games, and you mentioned games in your comments. They want results. Wouldn't it be more productive to work with Republicans on a plan that you know could pass Congress as opposed to going around the country talking about your bill and singling out—calling out Republicans by name?

*The President.* Well, first of all, with respect to the state of the economy, there is no doubt that growth has slowed. I think people were much more optimistic at the beginning of this year. But the combination of a Japanese tsunami, the Arab Spring, which drove up gas prices, and most prominently, Europe, I think, has gotten businesses and consumers very nervous. And we did not help here in Washington with the debt ceiling debacle that took place, a bit of game-playing that was completely unnecessary, completely unprecedented in terms of how we dealt with our responsibilities here in Washington.

You combine all that, there is no doubt that the economy is weaker now than it was at the beginning of the year. And every independent economist who has looked at this question carefully believes that for us to make sure that we are taking out an insurance policy against a

possible double-dip recession, it is important for us to make sure that we are boosting consumer confidence, putting money into their pockets, cutting taxes where we can for small businesses, and that it makes sense for us to put people back to work doing the work that needs to be done. That's exactly what this jobs bill does.

Now, with respect to working with Congress, I think it's fair to say that I have gone out of my way in every instance, sometimes at my own political peril and to the frustration of Democrats, to work with Republicans to find common ground to move this country forward, in every instance, whether it was during the lame duck session, when we were able to get an agreement on making sure that the payroll tax was cut in the first place and making sure that unemployment insurance was extended, to my constant efforts during the debt ceiling to try to get what's been called a grand bargain in which we had a balanced approach to actually bringing down our deficit and debt in a way that wouldn't hurt our recovery.

Each time, what we've seen is games-playing, a preference to try to score political points rather than actually get something done on the part of the other side. And that has been true not just over the last 6 months; that's been true over the last 2½ years.

Now, the bottom line is this: Our doors are open. And what I've done over the last several weeks is to take the case to the American people so that they understand what's at stake. It is now up to all the Senators and, hopefully, all the Members of the House to explain to their constituencies why they would be opposed to commonsense ideas that historically have been supported by Democrats and Republicans in the past. Why would you be opposed to tax cuts for small businesses and tax cuts for American workers?

My understanding is that for the last decade, they've been saying we need to lower taxes for folks. Well, why wouldn't we want to do that through this jobs bill? We know that we've got roads and bridges and schools that need to be rebuilt. And historically, Republicans haven't been opposed to rebuilding roads and bridges. Why would you be opposed now?

We know that the biggest problem that we've had in terms of unemployment over the last several months has not been in the private sector, it's actually been layoffs of teachers and cops and firefighters. We've created over 2 million jobs in the private sector—a million jobs this year alone in the private sector—but in the public sector, we keep on seeing these layoffs having an adverse effect on economies in States all across the country. Why wouldn't we want to make sure that those teachers are in the classroom teaching our kids?

So here's the bottom line: My expectation and hope is that everybody will vote for this jobs bill because it reflects those ideas that traditionally have been supported by both Democrats and Republicans. If it turns out that there are Republicans who are opposed to this bill, they need to explain to me, but more importantly, to their constituencies and the American people, why they're opposed and what would they do.

We know that this jobs bill, based on independent analysis, could grow the economy almost an additional 2 percent. That could mean an additional 1.9 million jobs. Do they have a plan that would have a similar impact? Because if they do, I'm happy to hear it. But I haven't heard them offer alternatives that would have that same kind of impact, and that's what we need right now.

A lot of the problems that this economy is facing are problems that predate the financial crisis: middle class families seeing their wages and their incomes flat despite rising costs for everything from health care to a college education. And so folks have been struggling not just for the last 3 years, they've been struggling for over a decade now. And at a time when so many

people are having such a hard time, we have to have an approach, we have to take action, that is big enough to meet the moment. And what I've heard from Republicans is, well, we're agreeing to do these trade bills. That's great. I'm in favor of those trade bills, and I'm glad they're passing, but that's not going to do enough to deal with the huge problems we have right now with respect to unemployment.

We passed patent legislation. That was bipartisan work. I'm thrilled that I was—we were able to get Republicans and Democrats to work together on that. But that is a long-term issue for our economic competitiveness. It's not putting Americans to work right now.

So the bottom line is this, Ben: If next week Senators have additional ideas that will put people back to work right now and meet the challenges of the current economy, we are happy to consider them. But every idea that we put forward are ones that traditionally have been supported by Democrats and Republicans alike. And I think it's important for us to have a vote on those ideas, because I believe that it's very hard to argue against them.

And if Mr. McConnell chooses to vote against it or if members of his caucus choose to vote against it, I promise you we're going to keep on going and we will put forward maybe piece by piece each component of the bill. And each time they're going to have to explain why it is that they'd be opposed to putting teachers back in the classroom or rebuilding our schools or giving tax cuts to middle class folks and giving tax cuts to small businesses.

### *National Economy*

*Q.* Do you think the recovery is close to faltering?

*The President.* I think that if we don't take action, then we could end up having more significant problems than we have right now. And some of it is just simple math. The payroll tax cut that we passed is set to expire. The jobs plan includes an extension of the payroll tax cut.

Now, if that is not extended, then that is over \$1,000 out of the pockets of the average American family at a time when they're already feeling a severe pinch. That means they're going to be spending less. That means businesses are going to have less customers. And that's going to have an adverse effect on an economy that is already weaker than it should be.

Okay. Chuck Todd [NBC News].

### *Job Growth Legislation/Tax Reform*

*Q.* Thank you, Mr. President. Before I get to my question, do we assume by how you're talking about the bill in the Senate that you are okay with the change in how to pay for it, the surtax—the 5.6-percent surtax on millionaires?

*The President.* We've always said that we would be open to a variety of ways to pay for it. We put forward what we thought was a solid approach to paying for the jobs bill itself. Keep in mind, though, that what I've always said is that not only do we have to pay for the jobs bill, but we also still have to do more in order to reduce the debt and deficit.

So the approach that the Senate is taking I'm comfortable with in order to deal with the jobs bill. We're still going to need to reform this Tax Code to make sure that we're closing loopholes, closing special interest tax breaks, making sure that the very simple principle, what we call the Buffett rule, which is that millionaires and billionaires aren't paying lower tax rates than ordinary families, that that's in place. So there's going to be more work to do with respect to making our tax system fair and just and promoting growth. But in terms of the immediate action of getting this jobs bill passed, I'm fine with the approach that they're taking.

## *Public Opinion of Political Process/Job Growth Legislation*

Q. My question has to do with your powers of persuasion. During the debt ceiling debate, you asked for the American public to call Members of Congress, and switchboards got jammed. You have done a similar thing while going around the country doing this. Talking to Members of Congress, there's not the same reaction; you're not seeing—hearing about phones being jammed. Talking to one Member of Congress, he told me there's a disillusionment he's concerned about with the public that maybe they just don't believe anything can get done anyway. Are you worried about your own powers of persuasion and maybe that the American public is not listening to you anymore?

*The President.* Well, no. What we've seen is the American people respond very enthusiastically to the specific provisions of the jobs bill. They are very skeptical about Congress's ability to act right now, and that's understandable. The American people are very frustrated. They've been frustrated for a long time. They don't get a sense that folks in this town are looking out for their interests. They get a sense that folks in this town are thinking about their own jobs, their own careers, their own advancement, their party interests. And so if the question is, Chuck, are people feeling cynical and frustrated about the prospects of positive action in this city? Absolutely. And I can go out there and make speeches, but until they actually see action, some of that cynicism is going to be there.

As you said, during the debt ceiling debate, a very solid majority, I think maybe even higher than 70 percent, agreed with the approach that I talked about, which was we should have a balanced approach to deficit reduction.

And what the American people saw is that Congress didn't care, not just what I thought, they didn't care about what the American people thought. They had their own agenda. And so if they see that over and over again, that cynicism is not going to be reduced until Congress actually proves their cynicism wrong by doing something that would actually help the American people. This is a great opportunity to do it. This is a great opportunity to do it.

And keep in mind, if the American jobs bill passes, we're still going to have challenges. We're still going to have to make sure that we've got the best education system in the world because that is going to be critical for our long-term competitiveness and creating good, solid middle class jobs. We're still going to have to keep investing in basic research and science. We're still going to have to make sure that we do even more on infrastructure. I mean, what's contained in the American jobs bill doesn't cover all the roads and bridges and infrastructure that needs to be improved around the country.

So there—so it's not as if that's going to solve all our problems, but it is an important start that we know would end up growing the economy and putting hundreds of thousands, millions of people back to work at a time when they need it the most. And it's paid for.

The one persuasive argument that the Republicans previously had made against a bill like this is the deficit is growing, we can't afford it. Well, we can afford it if we're willing to ask people like me to do a little bit more in taxes. We can afford it without affecting our deficit. Our proposal is paid for. So that can't be the excuse.

And so yes, until they see Congress actually putting country ahead of party politics and partisanship, they're going to be skeptical. And it doesn't matter how many times I preach to them, this is not a reflection of their lack of faith in the American jobs bill. They haven't seen Congress able to come together and act.

This is a good opportunity, though.

Q. [*Inaudible*—disillusionment?

*The President.* What we've seen is, is that they agree with what we've put forward. Now, here's what I'll also say, is that based on the debt ceiling vote, what they've seen is that the Republicans in Congress, even when the American people agree with me, oftentimes will vote against something I'm proposing.

So there may be some skepticism that I personally can persuade Republicans to take actions in the interest of the American people. But that's exactly why I need the American people to try to put some pressure on them. Because I think, justifiably, what they've seen is that oftentimes, even ideas that used to be supported by Republicans, if I'm proposing them, suddenly Republicans forget it, and they decide they're against it.

Jackie [Jackie Calmes, New York Times].

*U.S. Financial System/Consumer Financial Protection Bureau*

Q. Thank you, Mr. President. As you travel the country, you also take credit for tightening regulations on Wall Street through the Dodd-Frank law and about your efforts to combat income inequality. There's this movement—Occupy Wall Street—which has spread from Wall Street to other cities. They clearly don't think that you or Republicans have done enough, that you're, in fact, part of the problem.

Are you following this movement, and what would you say to its—people that are attracted to it?

*The President.* Obviously, I've heard of it. I've seen it on television. I think it expresses the frustrations that the American people feel, that we had the biggest financial crisis since the Great Depression, huge collateral damage all throughout the country, all across Main Street, and yet you're still seeing some of the same folks who acted irresponsibly trying to fight efforts to crack down on abusive practices that got us into this problem in the first place.

So yes, I think people are frustrated and the protestors are giving voice to a more broad-based frustration about how our financial system works. Now, keep in mind, I have said before and I will continue to repeat, we have to have a strong, effective financial sector in order for us to grow. And I used up a lot of political capital, and I've got the dings and bruises to prove it, in order to make sure that we prevented a financial meltdown and that banks stayed afloat. And that was the right thing to do, because had we seen a financial collapse then the damage to the American economy would have been even worse.

But what I've also said is that for us to have a healthy financial system, that requires that banks and other financial institutions compete on the basis of the best service and the best products and the best price, and it can't be competing on the basis of hidden fees, deceptive practices, or derivative cocktails that nobody understands and that expose the entire economy to enormous risks. And that's what Dodd-Frank was designed to do. It was designed to make sure that we didn't have the necessity of taxpayer bailouts. That we said, you know what? We're going to be able to control these situations so that if these guys get into trouble, we can isolate them, quarantine them, and let them fail. It says that we're going to have a consumer watchdog on the job all the time who's going to make sure that they are dealing with customers in a fair way and we're eliminating hidden fees on credit cards and mortgage brokers are going to have to—actually have to be straight with people about what they're purchasing.

And what we've seen over the last year is not only did the financial sector, with the Republican Party in Congress, fight us every inch of the way, but now you've got these same folks suggesting that we should roll back all those reforms and go back to the way it was before the crisis. Today, my understanding is, we're going to have a hearing on Richard Cordray, who is my nominee to head up the Consumer Financial Protection Bureau. He would be America's chief consumer watchdog when it comes to financial products. Now, this is a guy who is well regarded in his home State of Ohio, has been the treasurer of Ohio, the attorney general of Ohio. Republicans and Democrats in Ohio all say that he is a serious person who looks out for consumers. He has a good reputation. And Republicans have threatened not to confirm him not because of anything he's done, but because they want to roll back the whole notion of having a consumer watchdog.

You've got Republican Presidential candidates whose main economic policy proposals is, we'll get rid of the financial reforms that are designed to prevent the abuses that got us into this mess in the first place. That does not make sense to the American people. They are frustrated by it. And they will continue to be frustrated by it until they get a sense that everybody is playing by the same set of rules and that you're rewarded for responsibility and doing the right thing as opposed to gaming the system.

So I'm going to be fighting every inch of the way here in Washington to make sure that we have a consumer watchdog that is preventing abusive practices by the financial sector.

I will be hugely supportive of banks and financial institutions that are doing the right thing by their customers. We need them to be lending. We need them to be lending more to small businesses. We need them to help do what traditionally banks and financial services are supposed to be doing, which is providing business and families resources to make productive investments that will actually build the economy. But until the American people see that happening, yes, they are going to continue to express frustrations about what they see as two sets of rules.

### *Discontent With U.S. Financial System*

Q. Do you think Occupy Wall Street has the potential to be a tea party movement in 2012?

*The President.* What I think is that the American people understand that not everybody has been following the rules, that Wall Street is an example of that, that folks who are working hard every single day, getting up, going to the job, loyal to their companies, that that used to be the essence of the American Dream. That's how you got ahead—the old-fashioned way. And these days, a lot of folks who are doing the right thing aren't rewarded, and a lot of folks who aren't doing the right thing are rewarded.

And that's going to express itself politically in 2012 and beyond until people feel like once again we're getting back to some old-fashioned American values in which, if you're a banker, then you are making your money by making prudent loans to businesses and individuals to build plants and equipment and hire workers that are creating goods and products that are building the economy and benefiting everybody.

Jake Tapper [ABC News].

*U.S. Financial System/Department of Energy Loan Guarantee Program/Alcohol, Tobacco, Firearms, and Explosives Bureau's Gun Trafficking Operation*

Q. Thank you, Mr. President. Just to follow up on Jackie's question. One of the reasons why so many of the people of the Occupy Wall Street protests are so angry is because, as you say, so many people on Wall Street did not follow the rules, but your administration hasn't really been very aggressive in prosecuting. In fact, I don't think any Wall Street executives have gone to jail despite the rampant corruption and malfeasance that did take place. So I was wondering if you'd comment on that.

And then just as a separate question, as you're watching the Solyndra and "Fast and Furious" controversies play out, I'm wondering if it gives you any pause about any of the decisionmaking going on in your administration: some of the e-mails that Democrats puts out indicating that people at the Office of Management and Budget were concerned about the Department of Energy; some of the e-mails going on with the Attorney General saying he didn't know about the details of "Fast and Furious." Are you worried at all about how this is—how your administration is running?

*The President.* Well, first on the issue of prosecutions on Wall Street, one of the biggest problems about the collapse of Lehmans and the subsequent financial crisis and the whole subprime lending fiasco is that a lot of that stuff wasn't necessarily illegal, it was just immoral or inappropriate or reckless. That's exactly why we needed to pass Dodd-Frank, to prohibit some of these practices.

The financial sector is very creative, and they are always looking for ways to make money. That's their job. And if there are loopholes and rules that can be bent and arbitrage to be had, they will take advantage of it. So without commenting on particular prosecutions—obviously, that's not my job, that's the Attorney General's job—I think part of people's frustrations, part of my frustration, was a lot of practices that should not have been allowed weren't necessarily against the law, but they had a huge destructive impact. And that's why it was important for us to put in place financial rules that protect the American people from reckless decisionmaking and irresponsible behavior.

Now, with respect to Solyndra and "Fast and Furious," I think I've been very clear that I have complete confidence in Attorney General Holder in how he handles his office. He has been very aggressive in going after gun running and cash transactions that are going to these transnational drug cartels in Mexico. There has been a lot of cooperation between the United States and Mexico on this front. He's indicated that he was not aware of what was happening in "Fast and Furious." Certainly, I was not. And I think both he and I would have been very unhappy if somebody had suggested that guns were allowed to pass through that could have been prevented by the United States of America.

He has assigned an Inspector General to look into how exactly this happened, and I have complete confidence in him and I've got complete confidence in the process to figure out who, in fact, was responsible for that decision and how it got made.

Solyndra, this is a loan guarantee program that predates me that historically has had support from Democrats and Republicans as well. And the idea is pretty straightforward: If we are going to be able to compete in the 21st century, then we've got to dominate cutting-edge technologies, we've got to dominate cutting-edge manufacturing. Clean energy is part of that package of technologies of the future that have to be based here in the United States if we're going to be able to succeed.

Now, the loan guarantee program is designed to meet a particular need in the marketplace, which is, a lot of these small startups, they can get angel investors, they can get

several million dollars to get a company going, but it's very hard for them to then scale up, particularly if these are new cutting-edge technologies. It's hard for them to find private investors. And part of what's happening is China and Europe, other countries, are putting enormous subsidies into these companies and giving them incentives to move offshore. Even if the technology was developed in the United States, they end up going to China because the Chinese Government will say, we're going to help you get started. We'll help you scale up. We'll give you low-interest loans or no-interest loans. We will give siting. We will do whatever it takes for you to get started here.

And that's part of the reason why a lot of technologies that developed here, we've now lost the lead in: solar energy, wind energy. And so what the loan guarantee program was designed to do was to close that gap and say, let's see if we can help some of those folks locate here and create jobs here in the United States.

Now, we knew from the start that the loan guarantee program was going to entail some risk, by definition. If it was a risk-free proposition, then we wouldn't have to worry about it. But the overall portfolio has been successful. It has allowed us to help companies, for example, start advanced battery manufacturing here in the United States. It's helped to create jobs. There were going to be some companies that did not work out; Solyndra was one of them. But the process by which the decision was made was on the merits. It was straightforward. And of course, there were going to be debates internally when you're dealing with something as complicated as this.

But I have confidence that the decisions were made based on what would be good for the American economy and the American people and putting people back to work.

And by the way, let me make one last point about this. I heard there was a Republican Member of Congress who's engaging in oversight on this, and despite the fact that all of them in the past have been supportive of this loan guarantee program, he concluded, you know what? We can't compete against China when it comes to solar energy. Well, you know what? I don't buy that. I'm not going to surrender to other countries' technological leads that could end up determining whether or not we're building a strong middle class in this country. And so we're going to have to keep on pushing hard to make sure that manufacturing is located here, new businesses are located here, and new technologies are developed here. And there are going to be times where it doesn't work out, but I'm not going to cave to the competition when they are heavily subsidizing all these industries.

### *U.S. Financial System*

*Q.* Just a follow-up on Wall Street. Are you satisfied with how aggressive your administration has been when it comes to prosecuting? Because I know a lot of it was legal, but a lot of was not. There was fraud that took place.

*The President.* Right. Well, let me say this: The President can't go around saying, prosecute somebody. But as a general principle, if somebody is engaged in fraudulent actions, they need to be prosecuted. If they violated laws on the books, they need to be prosecuted. And that's the Attorney General's job, and I know that Attorney General Holder, U.S. attorneys all across the country, they take that job very seriously. Okay?

Hans [Hans Nichols, Bloomberg News].

### *Consumer Financial Protection Bureau*

Q. Thank you, Mr. President. You just spoke of the need for banks to start lending, you talked earlier about how creative they can be in chasing profit, and yet earlier in the week, you said that banks don't have some inherent right to just, you know, get a certain amount of profit. You also said in that interview that you can stop them. How do you plan on stopping them from charging this \$5 fee or whatever the fee is? And do you think that your Government has a right to dictate how much profits American companies make?

*The President.* I absolutely do not think that. I was trying to make a broader point, which is that people have been using financial regulation as an excuse to charge consumers more. Right? I mean, basically the argument they've made is, well, you know what, this hidden fee was prohibited, and so we'll find another fee to make up for it. Now, they have that right, but it's not a good practice. It's not necessarily fair to consumers. And my main goal is to make sure that we've got a consumer watchdog in place who is letting consumers know what fair practices are, making sure that transactions are transparent, and making sure that banks have to compete for customers based on the quality of their service and good prices.

Now, the frustrating thing that we have right now is that you've got folks over in Congress, Republicans, who have said that they see their role as eliminating any prohibitions on any practices for financial companies. And I think that's part of the frustration that the American people feel, because they've just gone through a period in which they were seeing a bunch of hidden fees, rate hikes that they didn't know about, fine print that they could not understand. That's true for credit cards. That's true for mortgages. It contributed to overall weakness in the economy.

And yes, I think it is entirely appropriate for the Government to have some oversight role to make sure that consumers are protected. So banks—and any business in America—can price their products any way they want. That's how the free market works. As long as there's transparency and accountability and consumers understand what they're getting. And there are going to be instances where a policy judgment is made that, you know what, there are certain practices that just aren't fair. And that's how the market has always operated.

Q. So is it your understanding the Consumer Financial Protection Bureau can't actually prevent the debit card fees from going in place, like the ones that are being discussed—

*The President.* I think that what the Consumer Finance Protection Bureau could do is to make sure that consumers understood exactly what they were getting, exactly what was happening. And I think that Congress could make determinations with respect to whether or not a certain practice was fair or not. Okay?

David Nakamura [Washington Post].

### *Alternative Energy Sources*

Q. Thank you, Mr. President. Just following up on Jake's question about Solyndra. The loan program—guaranteed loan program that you talked about was giving out \$38 billion in guaranteed loans and promised to save or create 65,000 jobs, green jobs, in clean energy, and there's been reports that actually only 3,500 new jobs have been created in that industry. Why has that industry been so slow to respond to the investment that your administration has provided? And what do you see going forward as to how it will respond?

*The President.* Well, I think that what has been true historically is that businesses that rely on new technologies, often—a lot of times it's going to take a while before they get takeoff. And there are a lot of upfront investments that have to be made in research and capital and so

forth, a lot of barriers for companies that are trying to break in. Keep in mind that clean energy companies are competing against traditional energy companies. And traditional energy is still cheaper in a lot of ways.

The problem is, is it's running out, it's polluting, and we know that demand is going to keep on increasing so that if we don't prepare now, if we don't invest now, if we don't get on top of technologies now, we're going to be facing 20 years from now China and India having a billion new drivers on the road, the trendlines in terms of oil prices, coal, et cetera, going up, the impact on the planet increasing. And we're not just going to be able to start when all heck is breaking loose and say, boy, we better find some new energy sources.

So in the meantime, we've got to make these investments, but that makes it more difficult for a lot of these companies to succeed. What's also a problem, as I said, is that other countries are subsidizing these industries much more aggressively than we are. Hundreds of billions of dollars the Chinese Government is pouring into the clean energy sector, partly because they're projecting what's going to happen 10 or 20 years from now.

So look, I have confidence in American businesses and American technology and American scientists and entrepreneurs being able to win that competition. We are not going to be duplicating the kind of system that they have in China where they are basically state-run banks giving money to state-run companies and ignoring losses and ignoring bad management. But there is a role to play for us to make sure that these companies can at least have a fighting shot. And it does mean that there are going to be some that aren't successful, and it's going to be an uphill climb for some. And obviously, it's very difficult for all companies right now to succeed when the economy is as soft and as weak as it.

#### *Department of Energy Loan Guarantee Program*

Q. There have been reports with Solyndra in particular that investors warned your administration that the Government—that loan of \$500 million in that company might not be a wise use of taxpayers' money. In retrospect, do you think your administration was so eager for Solyndra to succeed that it missed some of the critical warnings?

*The President.* I will tell you that even for those projects under this loan guarantee program that have ended up being successful, there are those in the marketplace who have been doubtful. So, I mean, there's always going to be a debate about whether this particular approach to this particular technology is going to be successful or not.

And all I can say is that the Department of Energy made these decisions based on their best judgment about what would make sense. And the nature of these programs are going to be ones in which for every success there may be one that does not work out as well. But that's exactly what the loan guarantee program was designed by Congress to do, was to take bets on these areas where we need to make sure that we're maintaining our lead. Okay?

Bill Plante [CBS News].

#### *Bipartisanship/Job Growth Legislation*

Q. Thank you, Mr. President. Anybody on Capitol Hill will say that there's no chance that the "American Jobs Act," in its current state, passes either House. And you've been out on the campaign trail banging away at them saying, pass this bill. And it begins, sir, to look like you're campaigning and like you're following the Harry Truman model against the do-nothing Congress instead of negotiating. Are you negotiating? Will you?

*The President.* I am always open to negotiations. What is also true is they need to do something. I'm not—look, the—Bill, I think it is very clear that if Members of Congress come in and say, "All right, we want to build infrastructure; here's the way we think we can do it. We want to put construction workers back to work; we've got some ideas." I am ready, eager to work with them. They say, "We've got this great idea for putting teachers back in the classroom; it's a little different than what you've proposed in the jobs bill." I'm ready, eager to work with them. But that's not what we're hearing right now. I mean, what we're hearing is that their big ideas, the ones that make sense, are ones we're already doing.

They've given me a list of, well, here's the Republican job creation ideas: Let's pass free trade agreements. It's great that we're passing these free trade agreements. We put them forward; I expect bipartisan support. I think it's going to be good for the American economy. But it's not going to meet the challenge of 9-percent unemployment or an economy that is currently weakening. It's not enough.

Patent reform, very important for our long-term competitiveness. There's nobody out there who actually thinks that that's going to immediately fill the needs of people who are out of work or strengthen the economy right now.

So what I've tried to do is say, here are the best ideas I've heard. Not just from partisans, but from independent economists. These are the ideas most likely to create jobs now and strengthen the economy right now. And that's what the American people are looking for. And the response from Republicans has been, no, although they haven't given a good reason why they're opposed to putting construction workers back on the job or teachers back in the classroom.

If you ask them, well, okay, if you're not for that, what are you for? Trade has already been done; patent reform has been done. What else? The answer we're getting right now is, well, we're going to roll back all these Obama regulations. So their big economic plan to put people back to work right now is to roll back financial protections and allow banks to charge hidden fees on credit cards again or weaken consumer watchdogs. Or alternatively, they've said we'll roll back regulations that make sure we've got clean air and clean water, eliminate the EPA. Does anybody really think that that is going to create jobs right now and meet the challenges of a global economy that are—that is weakening with all these forces coming into play?

I mean, here is a good question, here's a little homework assignment for folks: Go ask the Republicans what their jobs plan is, if they're opposed to the "American Jobs Act," and have it scored, have it assessed by the same independent economists that have assessed our jobs plan. These independent economists say that we could grow the economy as much as 2 percent and as many as 1.9 million workers would be back on the job. I think it would be interesting to have them do a similar assessment—same people. Some of these folks, by the way, traditionally have worked for Republicans, not just Democrats. Have those economists evaluate what, over the next 2 years, the Republican jobs plan would do. I'll be interested in the answer. I think everybody here—I see some smirks in the audience because you know that it's not going to be real robust.

And so, Bill, the question, then, is, will Congress do something? If Congress does something, then I can't run against a do-nothing Congress. If Congress does nothing, then it's not a matter of me running against them; I think the American people will run them out of town because they are frustrated, and they know we need to do something big and something bold.

Now, the American people are also concerned about making sure that we have a Government that lives within its means, which is why I put forward a plan that would also reduce our deficit and our debt in a more aggressive way than what the special committee has been charged with.

Folks want to talk about corporate tax reform. I've already said I'm happy to engage with them on corporate tax reform. I'm happy to engage with them, working to see what we can do to streamline and simplify our Tax Code, eliminate all the loopholes, eliminate these special interest carve-outs and potentially lower rates in the process while raising more revenue.

I am happy to negotiate with them on a whole host of issues, but right now we've got an emergency. And the American people are living that emergency out every single day, and they have been for a long time. They are working really hard. And if they're not on the job, then they're working really hard to find a job. And they're losing their homes, and their kids are having to drop out of school because they can't afford student loans. And they're putting off visiting a doctor because when they lost their job they lost their health insurance. They are struggling.

And as a consequence, by the way, all of us are struggling, even those who are well off. The irony is the same folks that the Republicans claim to be protecting, the well off—the millionaires and the billionaires—they'd be doing better, they'd be making more money if ordinary Americans had some money in their pockets and were out there feeling more confident about the economy. That's been the lesson of our history: When folks in the middle and at the bottom are doing well, the folks at the top do even better.

### *U.S. Political System/Bipartisanship*

Q. Is this kind of public pressure the only leverage you have, sir?

*The President.* Look, we have a democracy. And right now, John Boehner is the Speaker of the House and Mitch McConnell is the Republican leader. And all I can do is make the best arguments and mobilize the American people so that they're responsive.

So far they haven't been responsive to not just me, but public opinion. We saw that during the debt ceiling vote. But we're just going to keep on making the case. But I guess what I'm saying, though, here, Bill, is—and I said this when I made my speech at the joint session—the election is 13, 14 months away. I would love nothing more than to not have to be out there campaigning because we were seeing constructive action here in Congress. That's my goal. That's what I'm looking for.

But I'm also dealing with a Republican majority leader who said that his number-one goal was to beat me, not put Americans back to work, not grow the economy, not help small businesses expand, but to defeat me. And he's been saying that now for a couple of years. So yes, I've got to go out and enlist the American people to see if maybe he'll listen to them if he's not listening to me.

Matt Spetalnick [Reuters]. Where's Matt? There we are.

### *China/Trade*

Q. Thank you, Mr. President. One question on the economy and one on foreign policy. First of all, the Senate has taken up today a bill aimed at pressuring China to let its currency rise. What's your position on that bill? Would you veto or sign it, should it hit your desk?

On the foreign policy front, do you agree with Admiral Mullen's accusation that Pakistan's intelligence agency has used the Haqqani network as a virtual arm? And what, if any, consequences up to and including a cutoff of aid would you be willing to consider?

*The President.* Obviously, we've been seeing a remarkable transformation of China over the last two decades, and it's helped to lift millions of people out of poverty in China. We have stabilized our relationship with China in a healthy way. But what is also true is that China has been very aggressive in gaming the trading system to its advantage and to the disadvantage of other countries, particularly the United States. And I have said that publicly, but I've also said it privately to Chinese leaders. And currency manipulation is one example of it, or at least intervening in the currency markets in ways that have led their currency to be valued lower than the market would normally dictate. And that makes their exports cheaper, and that makes our exports to them more expensive. So we've seen some improvement, some slight appreciation over the last year, but it's not enough.

It's not just currency, though. We've also seen, for example, intellectual property, technologies that were created by U.S. companies with a lot of investment, a lot of upfront capital taken, not protected properly by Chinese firms. And we've pushed China on that issue as well.

Ultimately, I think that you can have a win-win trading relationship with China. I'm very pleased that we're going to be able to potentially get a trade deal with South Korea. But I believe what, I think, most Americans believe, which is trade is great as long as everybody is playing by the same rules.

Now, the legislation that is being presented in Congress is an effort to get at that. My main concern—and I've expressed this to Senator Schumer—is whatever tools we put in place, let's make sure that these are tools that can actually work, that they're consistent with our international treaties and obligations. I don't want a situation where we're just passing laws that are symbolic knowing that they're probably not going to be upheld by the World Trade Organization, for example, and then suddenly, U.S. companies are subject to a whole bunch of sanctions. We've got a—I think we've got a strong case to make, but we've just got to make sure that we do it in a way that's going to be effective.

Last point is, my administration has actually been more aggressive than any in recent years in going after some of these practices. We've brought very aggressive enforcement actions against China for violations in the tire case, for example, where it's been upheld by the World Trade Organization that they were engaging in unfair trading practices. And that's given companies here in the United States a lot of relief.

So my overall goal is, I believe U.S. companies, U.S. workers, we can compete with anybody in the world. I think we can make the best products. And a huge part of us winning the future, a huge part of rebuilding this economy on a firm basis that's not just reliant on maxed-out credit cards and a housing bubble and financial speculation, but is dependent on us making things and selling things. I am absolutely confident that we can win that competition. But in order to do it, we've got to make sure that we're aggressive in looking out for the interests of American workers and American businesses and that everybody is playing by the same rules and that we're not getting cheated in the process.

*China/Pakistan/Afghanistan*

Q. Is China—[inaudible]?

*The President.* That is a—that is a term of art, so the Treasury Secretary, I've got to be careful here—it's his job to make those decisions. But it's indisputable that they intervene heavily in the currency markets and that the RMB, their currency, is lower than it probably would be if they weren't making all those purchases in the currency markets to keep the RMB lower.

With respect to Pakistan, I have said that my number-one goal is to make sure that Al Qaida cannot attack the U.S. homeland and cannot affect U.S. interests around the world. And we have done an outstanding job, I think, in going after, directly, Al Qaida in this border region between Pakistan and Afghanistan. We could not have been as successful as we have been without the cooperation of the Pakistan Government. And so, on a whole range of issues, they have been an effective partner with us.

What is also true is that our goal of being able to transition out of Afghanistan and leave a stable Government behind—one that is independent, one that is respectful of human rights, one that is democratic—that Pakistan, I think, has been more ambivalent about some of our goals there. And I think that they have hedged their bets in terms of what Afghanistan would look like. And part of hedging their bets is having interactions with some of the unsavory characters who, they think, might end up regaining power in Afghanistan after coalition forces have left.

What we've tried to persuade Pakistan of is that it is in their interest to have a stable Afghanistan, that they should not be feeling threatened by a stable, independent Afghanistan. We've tried to get conversations between Afghans and Pakistanis going more effectively than they have been in the past, but we've still got more work to do. And there is no doubt that there is some connections that the Pakistani military and intelligence services have with certain individuals that we find troubling. And I've said that publicly, and I've said it privately to Pakistani officials as well.

They see their security interests threatened by an independent Afghanistan in part because they think it will ally itself to India and Pakistan still considers India their mortal enemy. Part of what we want to do is actually get Pakistan to realize that a peaceful approach towards India would be in everybody's interests and would help Pakistan actually develop, because one of the biggest problems we have in Pakistan right now is poverty, illiteracy, a lack of development, civil institutions that aren't strong enough to deliver for the Pakistani people. And in that environment you've seen extremism grow. You've seen militancy grow that doesn't just threaten our efforts in Afghanistan, but also threatens the Pakistani Government and the Pakistani people as well. So trying to get that reorientation is something that we're continuing to work on; it's not easy.

### *Pakistan*

Q. I'm sorry, sir—consequences of being—[*inaudible*]?

*The President.* We will constantly evaluate our relationship with Pakistan based on, is, overall, this helping to protect Americans and our interests. We have a great desire to help the Pakistani people strengthen their own society and their own Government. And so I'd be hesitant to punish aid for flood victims in Pakistan because of poor decisions by their intelligence services. But there is no doubt that we're not going to feel comfortable with a long-term strategic relationship with Pakistan if we don't think that they're mindful of our interest as well.

I'll make this the last question. Aamer Madhani [USA Today].

*National Economy/Global Economic Stabilization*

Q. Thank you, Mr. President.

*The President.* Caught you by surprise, huh? [*Laughter*]

Q. You did. What should European leaders do to resolve the sovereign debt crisis going forward? And second, how risky is this continued situation to the U.S. economy? And finally, do you feel that the European leaders have been negligent in pushing austerity too soon?

*The President.* Those are good questions. The biggest headwind the American economy is facing right now is uncertainty about Europe because it's affecting global markets. The slowdown that we're seeing is not just happening here in the United States, it's happening everywhere. Even in some of the emerging markets like China, you're seeing greater caution, less investment, deep concern.

In some ways, as frustrating as the financial sector has been here in the United States after the Lehmans collapse, the aggressive actions that were taken right after Lehmans did help us to strengthen the financial sector and the banking sector in ways that the—Europe did not fully go through. And uncertainty around Greece and their ability to pay their debts, runs on—in the capital markets, on the debt that many of these southern European countries have been facing, as well as Ireland and Portugal. All that has put severe strain on the world financial system.

I speak frequently with Chancellor Merkel and President Sarkozy; they are mindful of these challenges. I think they want to act to prevent a sovereign debt crisis from spinning out of control or seeing the potential breakup of the euro. I think they're very committed to the European project.

But their politics is tough because, essentially, they've got to get agreement with not only their own parliaments; they've got to get agreement with 20 Parliaments or 24 Parliaments or 27 Parliaments. And engineering that kind of coordinated action is very difficult.

But what I've been seeing over the last month is a recognition by European leaders of the urgency of the situation. And nobody is obviously going to be affected more than they will be if the situation there spins out of control.

So I'm confident that they want to get this done. I think there are some technical issues that they're working on in terms of how they get a big enough—how do they get enough firepower to let the markets know that they're going to be standing behind euro members whose—who may be in a weaker position.

But they've got to act fast. And we've got a G-20 meeting coming up in November. My strong hope is that by the time of that G-20 meeting, that they have a very clear, concrete plan of action that is sufficient to the task. It will have an effect—it's already having an effect here in the United States; it will continue to have an effect on our economy because the world is now interconnected in ways that it's never been before.

And that's one of the biggest challenges that we have post-2008, after this financial crisis, is that America has always been—well, over the last 20 years—has been the engine for world economic growth. We were the purchasers of last resort, we were the importers of last resort, we would stimulate our economies, and our American consumers would buy stuff around the world. And so if they got into trouble, they could always say, well we're going to sell to the U.S.

Well, we're now going through a situation where families are cutting back and trying to reduce their debts, businesses are more cautious. And the U.S. Government obviously has its

own fiscal challenges. I mean, we've got to make sure that we're living within our means, although we've got to do it gradually and not in ways that immediately affect a fragile economy.

So what that means is, Europe is not going to be able to export its way out of this problem. They're going to have to fix that problem. And part of the goal that I've been trying to promote for the last 2 years and I'll repeat at the G-20 is more balanced economic growth worldwide. We've got to get into a posture where the U.S. is always going to be a big market and we're going to welcome goods from all around the world, but we've also got to be selling goods around the world. We can't just be running up our debt in order to help other folks' economies. We've got to have—as not only families, our businesses, and our Government—we've got to make sure that we're being prudent and we're producing here in the United States. And by the way, that's what's going to create strong middle class jobs here in the United States.

I think part of what's going on for the country generally is this sense of, you know what, a lot of that debt that had been built up prior to 2008, that we were living on borrowed time because the underlying fundamentals of the economy weren't as strong as they needed to be.

And that's why not only do we have to put Americans back to work now, but we've also got to keep on reforming our education system so it's producing the highest skilled graduates in the world. It's why we've got to keep on investing in basic research and science. It's why we've got to make sure that we're rebuilding our infrastructure. It's why we've got to have a smarter energy policy, because that's a huge source of us having to import from other countries instead of being able to export to other countries.

All those things are going to be important, and all those things are going to be challenging. They're going to be hard. But right now we've got the problem of putting people back to work. That's why Congress needs to pass this jobs bill.

And last point I'll make: If Bill is right and everybody on Capitol Hill is cynical and saying there's no way that the overall jobs bill passes in its current form, we're just going to keep on going at it. I want everybody to be clear. My intention is to insist that each part of this, I want an explanation as to why we shouldn't be doing it, each component part: putting people back to work rebuilding our roads, putting teachers back in the classroom, tax cuts for small businesses and middle class families, tax breaks for our veterans. We will just keep on going at it and hammering away until something gets done. And I would love nothing more than to see Congress act so aggressively that I can't campaign against them as a do-nothing Congress.

All right? Thank you very much, everybody.

NOTE: The President spoke at 11 a.m. in the East Room at the White House. In his remarks, he referred to Warren E. Buffett, chief executive officer and chairman, Berkshire Hathaway Inc.; Cynthia A. Schnedar, Acting Inspector General, Department of Justice; Rep. Clifford B. Stearns; Adm. Michael G. Mullen, USN (Ret.), former Chairman, Joint Chiefs of Staff ; Chancellor Angela Merkel of Germany; and President Nicolas Sarkozy of France.

*Categories:* Interviews With the News Media : News conferences :: October 6.

*Locations:* Washington, DC.

*Names:* Baroz, Robert; Boehner, John A.; Buffett, Warren E.; Cordray, Richard A.; Geithner, Timothy F.; Holder, Eric H., Jr.; McConnell, A. Mitchell; Merkel, Angela; Sarkozy, Nicolas; Schnedar, Cynthia A.; Schumer, Charles E.; Stearns, Clifford B.

*Subjects:* Afghanistan : Democracy efforts; Afghanistan : U.S. military forces :: Deployment; Budget, Federal : Deficit and national debt; Budget, Federal : Revenue :: Increase; Business and industry : Banks and financial institutions :: Loans to small businesses, increase; Business and industry : Credit cards, regulations and consumer protections; Business and industry : Credit freeze situation; Business and industry : Global competitiveness; Business and industry : Manufacturing industry :: Advanced manufacturing, promotion efforts; Business and industry : Small businesses :: Hiring incentives; Business and industry : Small businesses :: Promotion efforts; China : Energy, alternative and renewable sources and technologies; China : Poverty, reduction efforts; China : Trade and economic policies; Commerce, international : Free and fair trade; Commerce, international : Global financial markets :: Stabilization efforts; Commerce, international : Global financial markets :: Unrest; Commerce, international : Group of Twenty (G–20) nations; Commerce, international : U.S. exports :: Expansion; Congress : Bipartisanship; Congress : House of Representatives :: Speaker; Congress : Senate :: Minority leader; Drug abuse and trafficking : Foreign narcotics traffickers; Drug abuse and trafficking : Interdiction efforts; Economy, national : Consumer Financial Protection Bureau; Economy, national : Credit markets, stabilization efforts; Economy, national : Dodd-Frank Wall Street Reform and Consumer Protection Act; Economy, national : Economic concerns; Economy, national : Economic recovery, oversight and transparency; Economy, national : Financial regulations, modernization efforts; Economy, national : Household incomes, decline; Economy, national : Market volatility; Economy, national : Recession, effects; Economy, national : Strengthening efforts; Education : Global competitiveness; Education : School improvement and renovation; Education : Teachers; Elections : 2012 Presidential and congressional elections; Employment and unemployment : Job creation and growth; Employment and unemployment : Job losses; Employment and unemployment : Unemployment insurance; Energy : Alternative and renewable sources and technologies :: U.S. production; Energy : Alternative and renewable sources and technologies :: Promotion efforts; Energy : Developing countries, energy sources; Energy : Gasoline, oil, and natural gas costs; Energy : Hybrid and alternative fuel automobiles :: Battery technology, U.S. production; Energy : National energy policy; Energy : Solar and wind energy; Environment : Air quality, improvement efforts; Europe : Financial markets :: Unrest; Foreign policy, U.S. : Democratization; Foreign policy, U.S. : Peace efforts, expansion; France : President; Germany : Chancellor; Group of Twenty (G–20) nations; India : Relations with Pakistan; Justice, Department of : Attorney General; Law enforcement and crime : Illegal arms trade, reduction efforts; Law enforcement and crime : Transnational criminal organizations; Mexico : Counternarcotics efforts, cooperation with U.S.; Pakistan : Political reform efforts; Pakistan : Political unrest and violence; Pakistan : Poverty and economic instability; Pakistan : Relations with India; Pakistan : Relations with U.S.; Pakistan : Security cooperation with U.S.; Science and technology : Patent approval process, improvement efforts; Science and technology : Research and development; Small Business Administration : Loan guarantee facility; South Korea : Trade with U.S.; Taxation : Corporate tax rates; Taxation : Payroll tax cut; Taxation : Tax Code, reform; Taxation : Tax relief; Terrorism : Al Qaida terrorist group; Terrorism : Counterterrorism efforts; Transportation : Infrastructure, national, improvement efforts; Treasury, Department of the : Secretary; Veterans : Hiring incentives; World Trade Organization.

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