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And that's what the Irish did in this country. They struggled to create a place for themselves in a distant land. And with a commitment to faith and family and hard work, they transformed that land in the process. And even after all the generations of becoming and being Americans, their descendants have never lost the enduring spirit that insists on proclaiming themselves Irish still. That same pride was embodied by a man who once occupied this very house and whose portrait is right outside this door, a man who was only three generations removed from Ireland.

In the third year of his Presidency, John F. Kennedy decided to make a trip to his ancestral home. And one of his aides advised against it. The aide said, "You've already got all the Irish votes you want in this country." [*Laughter*] "If you go to Ireland, people will say it's just a pleasure trip." And Kennedy responded, "That's exactly what I want"—[*laughter*]—"a pleasure trip to Ireland." That's what I want too—[*laughter*]—but I'm not going to get one right now. We've got a little more work to do. [*Laughter*]

But while he was there, President Kennedy visited the port from which his great-grandfather embarked for America. And he addressed the Irish Parliament, and he reflected, as we all have from time to time, on the role chance plays over the generations in determining who we become.

And he said, "If this nation had achieved its present political and economic stature a century ago, my great-grandfather might never have left New Ross, and I might, if fortunate, be sitting down there with you," Kennedy said. "Of course, if your own President had never left Brooklyn, he might be standing up here instead of me." [*Laughter*]

Of course, it bears saying that if Patrick Kennedy hadn't left County Wexford, or if Thomas Fitzgerald hadn't left County Limerick, the American people would have been deprived of the Presidency of John F. Kennedy, but also would have been denied one of the finest public servants of this or any age, and a great friend of mine and many of yours, Sir Edward M. Kennedy.

Teddy wishes he could be here tonight, but I guarantee you this much: The very thought of all of you gathered here would put a twinkle in his eye and a smile on his face. He as much as anyone reminds us of what it means to be Irish: that no matter what hardships may come, there's always joy to be found in this life; that through hard work, tomorrow can be better than today; that comfort is found amidst faith and family, love and laughter, poetry and song.

And tonight, in this room with all of you, I am reminded of the words of that great Irish poet, Yeats: "There are no strangers here, only friends you haven't met yet."

Happy St. Patrick's Day, everybody. I'd like now to bring to the podium, the *Taoiseach* Brian Cowen.

NOTE: The President spoke at 7:56 p.m. in the State Dining Room at the White House. In his remarks, he referred to Catherine E. "Jean" Biden, mother of Vice President Joe Biden. The transcript released by the Office of the Press Secretary also included the remarks of Vice President Joe Biden. Audio was not available for verification of the content of these remarks.

Remarks on Departure for Costa Mesa, California, and an Exchange With Reporters

March 18, 2009

President Obama. We're about—I'm about to go to California, but I wanted to make sure that I had a chance to address all of you before we leave. And we're going to have a town hall meeting there in which we're going to be answering questions from voters about a whole host of issues.

Obviously, the whole issue of AIG and these bonuses that have been paid out have been consuming a lot of attention, and rightfully so,

because they represent what, I think, all of us consider an inappropriate use of taxpayer funds.

But what I think is also important and just as outrageous is the fact that we find ourselves in a situation where we're having to clean up after AIG's mess. And so I just had a meeting with my economic team, but also spoke with Chairman Barney Frank of the Financial Services Committee about the importance of giving ourselves tools to prevent ourselves from getting in a situation where an AIG can pose such enormous vulnerabilities to the system as a whole.

And what we are working on is a resolution authority that would be similar, not identical, but similar to the powers that the FDIC currently has over banks. What they're able to do is to, at the same time, protect creditors, depositors, and consumers, while also exercising greater power proactively over institutions like AIG—which is not a bank, which is an insurance company with a hedge fund on top of it—would allow us proactively to get out in front, make sure that we are separating out bad assets from good, dealing with contracts that may be inappropriate, and preventing the kinds of systemic risks that we've seen taking place with AIG.

So my economic team is going to be consulting with the Hill. We're going to be moving that on a fast track. This is part of the broader package of financial regulatory steps that we're going to be taking that ensures that going forward in the future we're not going to find ourselves in these kinds of terrible positions again.

One last point that I want to make. People are rightly outraged about these particular bonuses. But just as outrageous is the culture that these bonuses are a symptom of, that have existed for far too long, a situation where excess greed, excess compensation, excess risk-taking have all made us vulnerable and left us holding the bag. And one of the messages that I want to send is that as we get out of this crisis, as we work towards getting ourselves out of recession, I hope that Wall Street and the marketplace don't think that we can return to business as usual. The business models that created a lot of paper wealth but not real wealth in this country and have now resulted in crisis can't be the model for economic growth going forward.

And I've spoken before: We have to move beyond a constant bubble-bust mentality and start establishing a foundation for long-term economic growth. That involves making investments on health care and energy and education. That means increasing our productivity across sectors and not just relying on the financial sector for all our economic growth. It means that shareholders and boards of directors have to hold executives more accountable for their compensation scales.

The fact that these guys are looking for bonuses, having run down AIG, begs the question of, why were they making that much beforehand, when nobody was criticizing them, everybody thought they knew what they were doing. That kind of culture has to change. And I think that's what the American people are looking for. The financial regulatory package that we're designing, as well as the economic policies that we want to put in place are going to put an end to that culture. That's what we're striving for. That's what the American people are looking for, and working with Congress, that's what we're hoping to deliver.

All right? Thank you, guys.

Bonuses for American International Group (AIG) Executives

President Obama. I'll just take a couple of questions. Go ahead.

Q. Mr. President—[*inaudible*].

President Obama. We are exploring every possible avenue, as is Congress, to see what we can do. But what we need are tools that allow us not to find ourselves in a situation where we only have two options: One is to withhold money from AIG that could potentially lead them into a spiral that could affect the entire financial system, or, on the other hand, having folks get bonuses and at least have the capacity to sue the Government and get not only their bonuses but potentially even more out of the legal system. We've got to have tools that, under our legal authority, allows us to deal with these issues. That's what we're going to be striving for.

Government Oversight for American International Group (AIG) Bailout Funds

Q. Mr. President, do you wish that you had found out about these bonuses——

President Obama. I'm sorry?

Q. Do you wish that you would have found out about these bonuses a lot sooner than Thursday so you could have done something more then?

President Obama. Well, look, rather than going into sort of the details of finding it out, ultimately I'm responsible, I'm the President of the United States. We've got a big mess that we're having to clean up. Nobody here drafted those contracts. Nobody here was responsible for supervising AIG and allowing themselves to put the economy at risk by some of the outrageous behavior that they were engaged in. We are responsible though. The buck stops with me. And my goal is to make sure that we never put ourselves in this kind of position again.

Government Oversight for Bailout Funds

Q. Mr. President, a new round of bonuses and contracts are coming out. Did you—what did you say to the American public to quell the anger because people are angry about these new rounds—these new bonuses and contracts coming for AIG executives?

President Obama. Well, I don't want to quell anger. I think people are right to be angry. I'm angry. What I want us to do, though, is channel our anger in a constructive way. And the most important thing we can do right now is stabilize the financial system, get flowing—credit flowing again to businesses and consumers, and make sure that we change how these businesses operate so that they don't put us in a situation in which, when things go bad, the taxpayers have to foot the bill, and when things go good, folks are getting not just $6 million bonuses, but $30 or $40 million bonuses.

Now, keep in mind—I think it's very important to remind ourselves that there are a whole bunch of folks now who are feigning outrage about these bonuses that a year ago, or 2 years ago, or 3 years ago, said, "Well, we should never meddle in these compensation plans; these are the best and the brightest; they know what they're doing; that's part of the market." And now, suddenly they're outraged.

The point that I've been trying to make consistently has been that we believe in the free market, we believe in capitalism, we believe in people getting rich, but we believe in people getting rich based on performance and what they add in terms of value and the products and services that they create. And it's appropriate for us to have some regulatory mechanisms in place to ensure that we never have a situation where the Government has to step in, or you've got taxpayers who are having to foot the bill for other people's mistakes.

That requires some regulatory framework. And my hope is that one of the lessons we learn here is, is that putting smart regulations in place—oversight, transparency, accountability—those things are not anti-market, they're pro-market. When, last year, Barney Frank and I worked to allow shareholders to at least cast a non-binding vote on compensation packages, there were some people who attacked us saying government has no business doing that. Well, look, all we're trying to say is you've got to be accountable to somebody. And it's that measure of accountability that I think is part of what has made America strong, and we have to get back to those kinds of values.

All right? I'm going to make this—two more questions. Go ahead.

Secretary of the Treasury Timothy F. Geithner

Q. You received $100,000 from AIG during——

President Obama. I'm sorry, I can't hear you.

Q. ——you received $100,000 from AIG during the campaign. How do you feel about those contributions today? Do you plan to do anything about it? And at least one Member of Congress has now called for your Secretary of the Treasury to resign. Your thoughts.

President Obama. Well, I have complete confidence in Tim Geithner and my entire economic team. Understand, as I said before, Tim Geithner didn't draft these contracts with

AIG. There has never been a Secretary of the Treasury, except maybe Alexander Hamilton, right after the Revolutionary War, who's had to deal with the multiplicity of issues that Secretary Geithner is having to deal with, all at the same time.

And he is doing so with intelligence and diligence. Nobody is working harder than this guy. He is making all the right moves in terms of playing a bad hand. And what we need to be doing is making sure that we are providing him the support that he needs in order to work through all these problems so that we're able to deal with them more effectively in the future.

All right, last—go ahead.

Government Bailout Funds/Financial Regulatory Reform

Q. Was it a mistake to prop up AIG? And if not, can you tell the American people why this company was so important to the economy that it had to be propped up and needs to be continued to be propped up going forward?

President Obama. Right. Well, look, this can get pretty technical, but I'll try to simplify it. Last year, when the Federal Reserve decided to step in—again, that wasn't a decision that we made, but I actually think it was the right decision—AIG had insured a whole bunch of losses for a whole bunch of banks that had made bad bets on subprime loans and mortgages that had been packaged and bundled up and made into securities.

These were massive insurance policies. Unfortunately, because of a lack of regulation, they were able to issue far more insurance policies than they could pay out on these various instruments that these banks had issued. And had AIG been allowed to simply liquidate and go bankrupt, all those banks who were counterparties with AIG would have experienced such big losses that it would have threatened the entire financial system.

I want to repeat something that I said before the joint session: My interest is not protecting banks. My interest is protecting the American people, the people's 401(k)s, ordinary folks who have a credit line with a bank for their small business, people whose pension funds are invested in some of these financial institutions. The prospect of all of that unraveling would have been unacceptable—an unacceptable risk.

Now, what we're trying to do is get ourselves in a position where we make sure that going forward we're not held hostage to all these bad decisions that were made by these huge institutions in the past, and that we create a system where they can't make all these bad bets, they can't issue these insurance policies one on top of the other without having the assets to back them up.

That's the kind of regulatory reform that we need. That's what these folks are going to be talking to the folks on the Hill about. And I am confident that we can strike the right balance that allows our financial system to stabilize, allows people to innovate in the financial markets, but don't allow them to put everybody else's savings, everybody else's well-being, other people's jobs, other people's homes at risk. And that's the task that lies before us and I'm confident with can get it done.

All right. Thanks, guys.

NOTE: The President spoke at 12:35 p.m. on the South Lawn at the White House. In his remarks, he referred to Rep. Barney Frank, chairman, House Committee on Financial Services.

Remarks at a Town Hall Meeting and Question-and-Answer Session in Costa Mesa

March 18, 2009

The President. Thank you. Thank you, everybody. Everybody have a seat. We're going to be here a while. Well, thank you so much Orange County for the wonderful reception. Thank you.

First of all, let me thank Jerome for the wonderful introduction, give him a big round of applause. We've got a number of elected officials who are here, who I want to acknowledge. We've got the Lieutenant Governor, John