

will continue to work every single day and take every step that's necessary to make sure that happens. I also intend to make sure that we don't return to an economy where our growth is based on inflated profits and maxed-out credit cards, because that doesn't create a lot of jobs. We need a robust growth based on a highly educated, well trained workforce, health care costs that aren't dragging down businesses and families, and clean energy jobs and industries. That's where our future is, and that's where the jobs are.

Now, one of the steps we've taken to boost our economy is an initiative known as Cash for Clunkers. Basically, this allows folks to trade in their older, less fuel-efficient cars for credits that go towards buying fewer, more—newer, more fuel-efficient cars. This gives consumers a break, replaces dangerous carbon pollution and our dependence on foreign oil, and strengthens the American auto industry. Not more than a few weeks ago, there were skeptics who weren't sure that this Cash for Clunkers program would work. But I'm happy to report that it has succeeded well beyond our expectations and all expectations, and we're already seeing a dramatic increase in showroom traffic at local car dealers.

It's working so well that there are legitimate concerns that the funds in this program might soon be exhausted. So we're now working with

Congress on a bipartisan solution to ensure that the program can continue for everyone out there who's still looking to make a trade. And I'm encouraged that Republicans and Democrats in the House are working to pass legislation today that would use some Recovery Act funding to keep this program going, funding that we would work to replace down the road. Thanks to quick bipartisan responses, we're doing everything possible to continue this program and to continue helping consumers and the auto industry contribute to our recovery.

So I'm very pleased with the progress that's been made in the House today on the Cash for Clunkers program. I am guardedly optimistic about the direction that our economy is going. But we've got a lot more work to do. And I want to make sure that all the Americans out there who are still struggling because they're out of work or not having enough work know that this administration will not rest until the movement that we're seeing on the business side starts translating into jobs for those people and their families.

Thank you very much, everybody.

NOTE: The President spoke at 1:23 p.m. in the Diplomatic Reception Room at the White House.

Statement on House of Representatives Passage of Legislation to Fund the CAR Allowance Rebate System

July 31, 2009

I want to thank leaders in the House of Representatives for working quickly and in a bipartisan way to pass legislation that will use Recovery Act funds to keep Cash for Clunkers going.

This program has been an overwhelming success, allowing consumers to trade in their less fuel-efficient cars for a credit to buy more fuel-efficient new models. It has given consumers a much needed break, provided the American auto industry an important boost,

and is achieving environmental benefits well beyond what was originally anticipated.

The program has proven to be a successful part of our economic recovery and will help lessen our dangerous dependence on foreign oil, while reducing greenhouse gas emissions and improving the quality of the air we breathe. I urge the Senate to act with the American consumers in mind to pass this important legislation.

The President's Weekly Address *August 1, 2009*

Today I'd like to talk with you about a subject that I know is on everybody's mind, and that's the state of our economy. Yesterday we received a report on our Gross Domestic Product; that's a measure of our overall economic performance. The report showed that in the first few months of this year, the recession we faced when I took office was even deeper than anyone thought at the time. It told us how close we were to the edge.

But it also revealed that in the last few months, the economy has done measurably better than expected. And many economists suggest that part of this progress is directly attributable to the Recovery Act. This and the other difficult but important steps that we have taken over the last 6 months have helped put the brakes on this recession.

We took unprecedented action to stem the spread of foreclosures by helping responsible homeowners stay in their homes and pay their mortgages. We helped revive the credit markets and opened up loans for families and small businesses. And we enacted a Recovery Act that puts tax cuts directly into the pockets of middle class families and small businesses, extended unemployment insurance and health insurance for folks who have lost their jobs, provided relief to struggling States to prevent layoffs of teachers and police officers, and made investments that are putting people back to work rebuilding and renovating roads, bridges, schools, and hospitals.

Now, I realize that none of this is much comfort for Americans who are still out of work or struggling to make ends meet. And when we receive our monthly job report next week, it's likely to show that we are continuing to lose far too many jobs in this country. As far as I'm concerned, we will not have a recovery as long as we keep losing jobs, and I won't rest until every American who wants a job can find one.

But history shows that you need to have economic growth before you have job growth. And the report yesterday on our economy is an important sign that we're headed in the right direction. Business investment, which had been

plummeting in the past few months, is showing signs of stabilizing. This means that eventually, businesses will start growing and hiring again. And that's when it will really feel like a recovery to the American people.

This won't happen overnight. As I've said before, it will take many more months to fully dig ourselves out of a recession, a recession that we've now learned was even deeper than anyone thought. But I'll continue to work every day and take every step necessary to make sure that happens. I also want to make sure that we don't return to an economy where our growth is based on inflated profits and maxed-out credit cards, because that doesn't create a lot of jobs. Even as we rescue this economy, we must work to rebuild it stronger than before. We've got to build a new foundation strong enough to withstand future economic storms and support lasting prosperity.

Next week, I'll be talking about that new foundation when I head to Elkhart County in Indiana, a city hard hit not only by the economic crisis of recent months but by the broader economic changes of recent decades. For communities like Elkhart to thrive, we need to recapture the spirit of innovation that has always moved America forward.

That means once again having the best educated, highest skilled workforce in the world. That means a health care system that makes it possible for entrepreneurs to innovate and businesses to compete without being saddled with skyrocketing insurance costs. That means leading the world in building a new clean energy economy with the potential to unleash a wave of innovation—and economic growth—while ending our dependence on foreign oil. And that means investing in the research and development that will produce the technologies of the future, which in turn will help create the industries and jobs of the future.

Innovation has been essential to our prosperity in the past, and it will be essential to our prosperity in the future. But it's only by building a new foundation that we will once again harness that incredible generative capacity of