

track now by 2015 to have 40 percent of the market.

And we were in Michigan and looking at one of these plants. A lot of the folks who were there are folks who used to work as suppliers for the auto industry. They had gotten laid off, and now they're back helping to build what will be the cars of the future. These advanced batteries that they're building are going into the Chevy Volt, which is a American-built clean energy car, a car of the future.

So there are still going to be opportunities for skilled tradesmen, people who've worked in manufacturing, but it's not going to be in just these massive factories of the 1950s. It's going to be in these new factories focusing on new industries, and this is where innovation and research and development is so important.

The one thing that's going to happen, though, is, is that parishioner is going to need probably to update some of their skills, because as I said, the fact that they know manufacturing, they know machines and tools, all that's going to be helpful, but they're also probably going to need to work a computer better. They're going to need to know how to diagnose a big, complicated system, looking at a flat screen inside the factory as opposed to tooling around and opening things up to see what's going on. And that may require some retraining. And that's again why the community college system can be so important.

A lot of folks at the age of 50, they don't need 2 years of education, but they may need 6 months where they're able to retool and get some help paying the bills and making the mortgage while they are retooling. And those are the kinds of programs that I think we need to set up.

Well, listen, this has been terrific. I am so grateful to all of you for taking the time to be here. As I listen to the questions, it's a good reminder, we've got a long way to go.

But I do want everybody to feel encouraged about our future. This goes to the first question that was asked about the next generation. America is still the wealthiest country on Earth. We have the best colleges and universities on Earth. It still has the most dynamic entrepreneurial culture on Earth. We've got the most productive workers of just about any advanced nation. We still have huge advantages, and people—billions of people around the world would still love the chance to be here.

And so I don't want everybody to forget that we've been through tougher times before, and we're going to get through these times. But typically, when we've gotten through tough times, it's because we all buckled down and we refocused and we came together and we made some tough but necessary adjustments and changes in how we approach the future. And I'm confident we're going to do that again.

But it's going to happen not just because of me, the President. It's going to be—happen because of individual small businesses. It's going to happen because of what's happening in congregations. It's going to happen because of what young people are doing—thinking about their future and how they're applying themselves to their studies.

All of us are going to have to be pulling together and refocusing on the future and not just the present. If we do that, we're going to do fine.

So thank you very much, everybody. Appreciate it.

NOTE: The President spoke at 10:06 a.m. at the residence of Jeff Clubb and Sandy Hatfield Clubb. In his remarks, he referred to Tristan Clubb, son, and Skyelar Clubb, daughter, of Mr. Clubb and Ms. Hatfield Clubb; Ryan Stier, son of Des Moines, IA, resident Mary P. Stier; and David Greenspon, owner, Competitive Edge Advertising Specialty Mfg. Co.

## Remarks and a Question-and-Answer Session in Richmond, Virginia September 29, 2010

*The President.* Well, everybody have a seat, have a seat. I just want to—first of all, I want to

thank Matt and Stephanie who were making their backyard available until it got really wet,

and Matthew and Lucy, who are our official hosts today. And I'm so appreciative of them.

I want to acknowledge our mayor, Dwight Jones. Thank you so much for being here. And of course, I've got to say thanks again to Ms. Shelton for being here. We are graced by your presence.

This is really a casual setting, so I hope that we just open it up for a good conversation about where the country is at, where it's going, how folks are feeling down here in Richmond. I want to hear from you at least as much as you're hearing from me.

I find this really useful to me, because when you're in Washington all the time and you're in these battles, sometimes you're in what's called the bubble. And I'm always doing—trying to do what I can to break out of it and be able to get back with folks and have a conversation.

What I want to do is just speak briefly about what's going on in the economy, and then just open it up.

Obviously, we're going through a tough time. And these last 2 years have been as tough as any that we've seen in most of our lifetimes, except for Ms. Shelton. *[Laughter]* Because the truth is, is that the financial crisis that we experienced was the worst since the Great Depression. We lost about 4 million jobs in the 6 months before I was sworn into office. We lost 750,000 jobs the month I was sworn into office, 600,000 jobs the 2 months after I was sworn in. So before any of my economic policies were put into place, we had already lost most of the 8 million jobs that we ended up losing in this recession.

And my first job was to make sure that the banking system did not completely collapse and to make sure that we didn't dip into a second depression. And we've done that. The economy that was contracting is now growing. We've had 8 straight months of private sector job growth. So we're making some progress.

But the truth is, is that people were having a tough time even before the crisis hit. We had gone—from 2001 to 2009, there was a period in which the average middle class family lost 5 percent of their income—5 percent of their wages—during that period. At the same time, the costs for health care and college tuitions

were skyrocketing. It was the slowest period of job growth since World War II, from 2001 to 2009.

So middle class families were generally having a very difficult time even before the crisis hit. And obviously, the crisis just made things worse. And this is all at a time when we've got increased global competition. I mean, you've got countries like China and India and Brazil that are really moving. They're educating their kids much more aggressively than they ever were. They are exporting much more than they ever were. And so we're having to compete at levels that we didn't have to compete before.

And so part of the reason I ran for President was because I felt it was very important for us to start grappling with some longstanding issues that we've been putting off for way too long.

We had to stop a health care system that was broken from bankrupting families and businesses and the Federal Government, so we initiated health reform so that we could start getting a better bang for our health care dollar.

And it's estimated that we'll end up saving over a trillion dollars because we make the system more efficient over time, even though we're going to be insuring more people. We had to reregulate the financial system so we never have a system where we've got taxpayer bailouts again. And so we passed financial regulatory reform. We had to transform our education system.

And one of the things I'm most proud of, although it hasn't gotten some of the fanfare that some of these other issues have gotten, is we've initiated reforms across the country through a program called Race to the Top where we're encouraging States to reform how they do business, emphasizing more math, emphasizing more science, making sure that we've got the very best teachers in the classroom, making sure that we're focusing on low-performing schools, because it's unacceptable where you've got schools in which a third of the kids or half of the kids drop out, and even the kids who graduate aren't graduating at grade level.

We use to be at the top in terms of math and science performance. Now our kids typically

rank around 21st in science and 25th in math. That's just not acceptable.

We used to have the highest proportion of college graduates in the country; now we rank around 12th. And that's going to affect how we can compete long term, so part of what we did was to shift tens of billions of dollars that were going to subsidies to financial services groups in the direct student loan program, give those dollars directly to students, and we've got millions more students who are now getting grants and cheaper student loans.

Now, the other thing that we had to do is we had to confront all these problems—a financial crisis, people losing their jobs, small businesses not getting the financing they need to open or expand their businesses—we had to all do this in the context of a really bad budget.

When Bill Clinton left office, we had a record surplus. We hadn't had a surplus since World War II. And suddenly by the time I took office, we had a \$1.3 trillion deficit. And this was a direct result of some policies that thought only about the present and didn't think about the future.

So we had tax cuts, mostly for millionaires and billionaires, in 2001 and 2003 that weren't paid for, and there weren't the cuts to go with it. So that ballooned the deficit. Then we had two wars that weren't paid for. That further ballooned the deficit. We had a prescription drug plan that was put into place that cost about \$800 billion. That wasn't paid for. So you add all those things up, by the time I got into office we already had a \$1.3 trillion deficit and we had exploded the national debt.

So one of the challenges now that I've got, having stabilized the economy, but we still need it to grow, we still need small businesses to get help, we still have to help people find work, we want to invest in research and development and technology. We've got to do all that, but we've also got to think, how are we going to get our budget under control over the long term.

And I was amused as I was driving in, there were some signs there that said cut spending, which sounds plausible, and I know your Congressman here, I think, has strong ideas about what he says he wants to do. Last week, the Re-

publicans put forward what they called a "Pledge to America," which purported to say we're going to cut your taxes and we're also going to control spending and we're going to somehow balance the budget. But when you actually looked at the numbers, it was hard to figure out how they all added up.

Now, I'm not a math teacher. [Laughter] But I know a little bit about math. They're proposing about \$4 trillion worth of tax cuts. About \$700 billion of those tax cuts are for people who typically are millionaires and billionaires and on average would get \$100,000 in tax relief, \$700 billion that we don't have; we'd have to borrow in order to provide these tax cuts. And 98 percent of Americans wouldn't see any benefit from it.

And keep in mind that because we don't have it, it would actually end up costing more than \$700 billion, because we'd end up having—since we're borrowing it, we'd have to pay interest on it.

Now, just to give you some sense of how they are proposing to pay for this, they're recommending a 20-percent cut in education spending. They are proposing essentially that we lower our support to students on student loans who want to go to college and grants for students who want to go to college, which would affect millions of students all across the country. They are proposing to roll back tax cuts that we had put in place during the Recovery Act that give 95 percent of working Americans tax relief.

So when you add it all up, essentially their proposal would drastically expand the deficit instead of shrinking it. Now, what they'll say is, well, we're going to have additional cuts. But they don't specify what those cuts would be. And one of the things I'm here to tell you—and then I want to sort of hear from you in terms of what your priorities are—is, I've got some very smart people working for me in my budget office. But they will tell me that one thing they can't do is cut taxes for the wealthiest Americans by \$700 billion, protect Social Security, protect Medicare, protect veterans funding, and balance the budget. They just can't do it. The math doesn't add up.

And so part of the challenge, I think, particularly if we're thinking about the next generation, is making sure, as we move forward over the next couple of years, that we have an honest and serious conversation about how we're going to get control of our budget. That is going to be a big challenge.

And the choice that you make in this election, I think, should be based on facts and making sure that whatever politicians are saying, that they can back it up with some actual figures and numbers that work.

I know that here in Virginia and all across the country, there are a lot of people who are genuinely, legitimately, and sincerely concerned about the deficit and the debt. And no matter how much I say to them, well, this really has to do with problems that we inherited, it's not because of the emergency measures we took last year, their attitude is, okay, but it's still your job to solve it.

And I think that's a legitimate point of view. But if you are genuinely and sincerely concerned about debt and deficits, then you have to understand the other side just is not presenting a serious idea of how to balance our budgets and put us on a stable fiscal footing.

What they're selling is the same thing that they sold back in 2000 and 2001, which is you could slash taxes, including for the wealthiest Americans, and somehow that's not going to affect anything. And that's just not how it works. It's not how it works in your household, right? So it's not going to work for the country either. And we've got to have an honest conversation about it. All right?

So with that—I know it's a little warm in here, but if anybody wants to pull out their fans, feel free. If gentlemen want to take off their jackets, I'm sure nobody will mind. And let's just open it up for questions and comments.

And as I said, I don't—it doesn't have to be a question. You can give me a suggestion. If you've got good ideas, I need to hear them.

And we'll start with this gentleman. Please introduce yourself.

*Employee Stock Ownership Plans/Small Businesses/Taxes*

Q. Thanks, Mr. President. My name is Tom Roback. I manage a small business. We serve ESOP companies, hundreds of ESOP companies. And I've just found it extraordinary in visiting many of these ESOP companies with the culture that they've developed and the productivity and competitiveness, and it's a good model for keeping jobs here in the U.S.

*The President.* You want to just explain to everybody what ESOPs are? These are employee-owned businesses. I just want to make sure everybody understands.

Q. Exactly, exactly. And I wanted to just—the ESOP laws that have been in place for over 35 years have allowed employee owners to share a piece of the action of the business while not having to get in their—dig in their own pockets for that, so it's helped them get to retirement, which is tough these days long term.

My main question is just, with your good initiatives here—you're focusing on small business in the new act—will you consider encouraging or expanding the law to help more small privately held companies look to the ESOP model? Thank you.

*The President.* I would absolutely be interested in taking a look at it. The idea behind these ESOPs is that if employees have a piece of the action—they're essentially shareholders in these companies—then you are aligning the interests of workers with the interests of the company as a whole.

Now, what that means is, is that when a company has a tough time, workers have to take a hit because they're owners, essentially. On the other hand, when things are going well, they're getting a share of the profits. And so theoretically, at least, it's something that can help grow companies, because the workers feel like they're working for themselves and they're putting more of themselves into their job each and every day.

I think that it's something that can be encouraged. I have not seen specific proposals that are out there legislatively, but I'm sure you can share them with me.

Q. Yes, there actually has been a lot of strong research recently.

*The President.* Good. So I'll be interested in taking a look at that stuff.

But let me say something more generally about small businesses. As part of the Recovery Act, we actually cut taxes for small businesses eight different ways. And I make mention of that because—and then I just signed a bill this week on Monday, before I went on the road, that further cuts taxes for small businesses, including eliminating capital gains for investments in startup businesses, making sure that small businesses can invest in inventory or in plant and equipment now and be able to take these deductions now so it gives them an incentive to start investing earlier on.

We have provided tax breaks for small companies who are providing health insurance to their employees, because typically it's—small businesses are the hardest folks to be able to provide health insurance because they're not part of a big pool. And what we've said is, let's give them a tax break; they can get up to a third of the premiums that they're paying for their employees as a credit so that it's just cheaper for them to provide health insurance.

So I wanted to point that out because somehow there's a myth out there I think that we have raised taxes on small businesses. If you listened to the other side, you'd be thinking, boy, Obama is just trying to crush small businesses with these high taxes. We've lowered taxes on small businesses over the last 2 years. In fact, we've lowered taxes on just about everybody over these last 2 years. And—but when you look at the polls, there's a decent number of folks who still think that somehow their taxes have gone up instead of gone down.

And that debate is going to be coming to a head now. I mentioned this \$700 billion in tax cuts that they want to provide to the top 2 percent. We're in danger of seeing lapse tax breaks that everybody here probably is getting on their paychecks every 2 weeks. A lot of people didn't notice that they were getting a tax break because we did it incrementally, paycheck—it wasn't in one lump sum; it was like each paycheck you had a little bit less taken out in taxes.

That's going to lapse if we don't renew it, and the proposal—the Republicans are proposing to eliminate it.

So this is an example of where we've got to know what the facts are in order to make sure that the broadest base of people are getting the broadest base of help. Okay?

Yes, sir.

### *Role of Federal Government*

Q. President Obama, my name is Dan Ream. I'm a librarian at Virginia Commonwealth University here in Richmond, the State's largest public university.

*The President.* We love libraries.

Q. We thank you. Libraries love the love. [Laughter] VCU, where I work, has benefited tremendously from your stimulus program. In fact, there are countless librarians, faculty, and staff members there who have their jobs today thanks to the stimulus program. So thank you for that. It's very important to us.

*The President.* Thank you. I appreciate it.

Q. My son, by the way, is a student at Davidson College. He is a swim coach here at the Southampton swim team, and he is in Madrid today. And he said, "This is the most exciting thing that has ever happened on my street, and I'm out of the country." [Laughter] "So, Dad and Mom, would you ask my question?"

*The President.* Okay, go ahead.

Q. May I?

*The President.* Although I have to say being in Madrid is not that bad. [Laughter]

Q. It's not.

*The President.* I mean, that's a pretty good deal. [Laughter]

Q. He loves it. Anyway, this is from Paul Ream, who is probably watching this on TV somewhere in Madrid.

*The President.* Good.

Q. His question is this: "In this public discussion of the economic crisis and in the Nation's political discourse in general, I feel like Democrats have lost hold of the populist attitude and rhetoric that truly embody the party's foundations.

"Our swim team community here at Southampton provides a wonderful example of that

attitude. Like politics, it's a sport that focuses on individual performance. But what leads to success is a team-oriented, sportsmanlike approach. Respect for each other and respect for one's opponents are key to the success. And I think those are important elements of the Democratic Party.

"With that in mind, what are the ways we can change the dialogue to really emphasize this? Doing what's best for the people is not characterized by doing what's best for some individuals at the cost of others, which is the interpretation of some citizens today, especially with regard to the economy. How can we reframe the debate and really highlight the respectful and sportsmanlike nature of policies directed at benefiting the American people as a whole?"

*The President.* Well, that's a pretty good question.

*Q.* It's from Paul Ream.

*The President.* I like that. [Laughter] And you read it very well too. So I'm sure he'll—

*Q.* Thank you. I have my own question too, if we have time.

*The President.* —he'll be very happy with your presentation.

*Q.* Thank you.

*The President.* Look, I think he makes a terrific point, and I've tried to make this point in most of my speeches when I talk about the economy. Part of what makes America the greatest country on Earth and what has made our economy the envy of the world for the last hundred years is that we combine this incredible sense of individual freedom and entrepreneurship and the profit motive and dynamic capitalism so that if you've got a good idea, if you want to start a whitewater rafting company or you want to open a new restaurant because you've got this great recipe, you can do it. And you don't have to go through a lot of bureaucracy, and you don't have to pay a bribe. And that is the wellspring of our wealth and how well we do.

Now, at the same time, part of what our strength has been is what we do in concert, in common, just like a team. Dwight Eisenhower built the Interstate Highway System. Nobody individually could build a highway system. So

we pool our resources together to build the highway system, and that then provides opportunity and a platform for businesses to grow and prosper.

The Internet was a direct result of an investment in research and science, through the Government, that created the initial platforms that evolved into the Internet. And now there are all kinds of Internet companies that are starting, and you've got Facebook, and—a lot of wealth has been generated, a lot of jobs have been created. But those individual initiatives couldn't have happened if we hadn't made that initial investment, through our Government, in the research and development, because there was no sure thing. It wasn't like there was money to be made tooling around with these computers, trying to figure out how to communicate with each other more efficiently.

Clean energy is a good example as we move forward. Right now all of us would benefit if we had a cleaner, more efficient energy policy in this country. But nobody individually has that much incentive to do it. The oil companies, they've got tons of money, but they're making tons of money by selling oil. And the more oil they sell, the better off they're going to be. So they're not making huge investments in solar or wind or biodiesel.

A lot of people, I think, would benefit from retrofitting their homes or their buildings or hospitals. But it turns out that even though they'll recoup their money, they might not be able to afford up front to make the investment without some help. And so they don't do it, which means that we probably use 30 percent more energy because we've got buildings that are poorly insulated or poorly designed. And it would make sense for us to help small businesses and individuals make that investment.

If we gave them some loans on the front end, then all of us would benefit, and individually, each of us would benefit. But the point is, is that Abraham Lincoln, the first Republican President, I think had it right. He basically said, we should never do things for people that they can do for themselves. But government's role is to do what people can't do better by themselves, whether it's our collective defense,

whether it's our firefighters, whether it's our libraries, whether it is our infrastructure or investments in research and development.

And I think that that's part of what the choice we're making in this election and over the next several years is going to be: Are we still able to make those decisions together about how to move the country forward? Or are we each going to just be looking out for ourselves? In which case, what's going to happen is, is that if you've got enough money that you can afford to live in a gated community, then you don't have to worry about police. If you can afford to have private schools, then you don't have to worry about public schools.

But over time what happens is, as a group, we're going to get poorer, even though some people do very well. All right?

*Education Reform/Financial Regulatory Reform*

Q. Thank you.

*The President.* Thank you. Yes.

Q. Hello, Mr. President. My name is Devin Wilder, and I'm a teacher at Albert Hill Middle.

*The President.* What do you teach?

Q. I teach civics. I teach eighth graders.

*The President.* This is a good thing. You'll be able to tell your class tomorrow that you—

Q. Yes. Actually, I have some questions—

*The President.* Oh, no—

Q. —that I would love to give to you from my students.

*The President.* All right. I will try to respond to some of them.

Q. Okay. Especially if you can send a picture and some autographs to them.

*The President.* Okay. [Laughter] All right, sounds good.

Q. I'm from a education family—my mother is a teacher, my husband is a teacher also for the city at Thomas Jefferson High School, and I'm a mother of three. And the main focus has been on the middle class and the poor, but what about working class families? They seem to be on the fringe, not able to get a lot of these incentives and other programs of help. Childcare is a major issue, education for our children; proper nutrition, being able to afford proper

food is an issue for working families. What is the Government going to do for that?

And then I also have another question, if I could ask about the education reforms that you're going to do. A lot of my students are concerned about those education reforms, and they would like some explanations about how is an extended day and how is going to school for an extra month going to make them more competitive in the global world.

*The President.* Well, let me take the second question first, because I want to be clear: I haven't passed a law that everybody has got to go to school for an extra month. I was asked about this on the "Today" show, and I made the observation, which is absolutely true, that most of our competitors, most other advanced countries, have their kids go to school about a month longer every year than we do. The 3-month summer is a direct result of public schools having been started when most of us still lived on farms, and so you took 3 months off because you had to help on the harvest.

But there's nothing written in stone that says we've got to have the organization, the school year the way we have it. There is a—studies show that kids lose something during that 3-month period. Poorer kids lose more during that 3-month period because they may not have as many books at home, supplemental activities. They may not be going to the museum or on field trips during the summer. And so they tend to lose more of what they've learned. And that's part of what contributes probably to the achievement gap and them falling behind.

So I think it's important for States to look at what they're doing and finding ways that potentially kids don't lose ground compared to kids in China or South Korea or other parts of the country.

Now, it's going to cost some money if we decide to make the school year longer because teachers and custodial workers, that means that they're in—they're working even longer than they're already working. And so we'd have to make some choices budgetarily.

Keep in mind, though, that this is why the choice in this election is so important. I'll give you an example. During—just a couple months

ago, we had a debate in the House of Representatives. The Democrats decided to—because they were worried about States laying off teachers, decided to close a corporate tax loophole that actually incentivized investment overseas instead of investment here in the United States. So they decided to close one of these loopholes.

And that saved enough money to send several billions of dollars to the States so that they could keep their workforce intact. This is at a time, by the way, where there are States like Hawaii that had gone down to a 4-day-a-week school week because they couldn't afford to pay teachers for the fifth day.

Now, I promise you we can't compete against other countries if our kids are going to school 4 days a week. We can't compete if teachers are being laid off and classrooms get more crowded and teachers are having to dig more into their pockets for basic supplies in their classroom.

But when we had this proposal, we could not get any Republicans to support this position. And they had the usual rhetoric about Obama's trying to kill business and raise taxes, et cetera. No, we're just trying to make sure that we're making investments in the long term for our kids, which will be good for business, because businesses in this country aren't going to succeed if we don't have engineers and scientists developing new products and so forth.

So I don't want to lose the votes of all your kids by saying that they need to be in school another month. [*Laughter*] I do think that we have to have a debate, State by State in local school districts, about making sure what we can do to ensure our kids keep up.

Now, in terms of the issue that you raised about sort of middle class versus poor versus working class, my attitude is that everybody who is working hard, who's meeting their responsibilities, trying to raise a family, trying to send their kids to college, trying to retire with dignity and respect, trying to get health care—those folks—that's what it means to be middle class in this country.

This is who Michelle and I came from. I mean, I was raised by a single mom. I lived most of my formative years in an apartment that probably was smaller than this room right here,

living with my grandparents, and sometimes when my mother was—when I was living with her, it definitely was an apartment smaller than this.

Michelle, her dad worked as a blue-collar worker for the city of Chicago. And he had multiple sclerosis, but he never missed a day of work. He never graduated from college. Her mom never graduated from college. And yet somehow they were able to—both of our families were able to give us the best education in the world, and we grew up to be President and First Lady.

Now, that's what the American Dream is about. So I don't make a distinction between middle class, working class, poor folks who are trying to get into the middle class. As long as you're working hard, trying to meet your responsibilities, trying to better yourself and your family, that's what the American Dream is about.

All the policies that we've put in place have been designed to help those folks. So if you are a working family, whether you're making—your family income is \$100,000 a year or \$50,000 a year or \$30,000 a year, if you've got a kid with a preexisting condition and you can't get health insurance, because of health reform that child is going to be able to get insurance. And if you can't afford it because your boss doesn't offer health insurance, you're going to be able to be part of a big pool and buy the same health insurance that Members of Congress get.

Regardless of where you fall on that income spectrum, if you've got a credit card, then the new financial reform bill says credit card companies can't jack up your interest rates without letting you know. And they can't increase your interest rates on your existing balances. They can't run a bait and switch and say you're on—this is a zero-percent interest credit card, then you get \$5,000 on your credit card, and you get a letter saying suddenly interest is 29 percent. Can't do that.

Mortgage brokers can't steer you into interest rates on buying a house that are more expensive than what you could have gotten because they're getting a kickback. A lot of the

consumer protections that we put in place, they affect everybody out here.

The student loan programs that we put into place, that impacts families across the board, because, again, whether you're making \$100,000 or \$50,000 or \$30,000, if you're trying to send your kid to college, they're going to probably have to take out some debt. And what we did to take billions of dollars that were going to banks in unjustified subsidies and us saying, no, we're going to give that money directly to young people in the form of more grants or cheaper loans, capping how much they're going to have to repay in college to 10 percent of their income. That helps everybody.

So I think that that—what will make our economy grow is if this beating heart of our economy, the middle class folks who are working hard, pushing to improve their lot in life, if they're given some hands up to help them get to where they want to go, then I think our economy as a whole will do well.

Okay. Yes, sir.

#### *Environment/Alternative Fuel Sources*

Q. I'd like to ask you about a local and regional issue: the James River that runs through Richmond here and the Chesapeake Bay into which it goes. The Perrys depend on the James River to make a living with their outfitting company. Your EPA has very thankfully initiated a wonderful effort to finally clean up all the waters that enter the Chesapeake Bay.

However, our State government is resisting playing its part, whereas going ahead with this cleanup would create thousands of private sector jobs as well as the benefits from clean water and better fish. They're saying that we can't afford to do this in this economy, when actually doing it would be the kind of thing that would help the economy and our waters recover. Do you have anything to say about that?

*The President.* Well, I agree with you, and I'll pass on your suggestions to Mr. McDonnell—*[laughter]*—because—look, the point you make I think is important as sort of a general point, which is for a long time we tended to think of the environment in conflict with the economy, right? The notion was clean air, clean water is

nice to have, but if it comes down to it, it's more important that we have jobs.

The point you're making is that clean air and clean water can improve the economy and create new jobs if we think about it in creative ways. And that's part of the argument that I've been making about clean energy.

Let me give you an example. When I came into office, we were producing about 2 percent of the advanced batteries that are used in hybrid cars and electric cars—2 percent of the market. And we were probably just barely hanging on. Eventually, if you only got 2 percent of the market, you're going to end up with zero percent of the market.

So what we did was we said, as part of the Recovery Act, let's invest in a made-in-America, homegrown battery manufacturing effort. And we now have across the country people working in factories making advanced batteries that are going into American-made cars, because what we also did at the same time was we raised fuel efficiency standards on cars and trucks for the first time in 30 years. We didn't do that, by the way, through legislation. We actually got auto-workers and auto companies and environmentalists and all the stakeholders to agree on raising fuel efficiency standards nationally. So it didn't get a lot of attention, because there wasn't a big ruckus in Washington, we just did it.

And so automakers now want to make more fuel-efficient cars, and we now have the advanced battery manufacturing here in the United States to take advantage of that new market. We estimate that by 2015, we're going to have 40 percent of the advanced battery market.

So you've got a homegrown manufacturing industry here in the United States, putting people to work in good jobs and good wages. But that wouldn't have happened if there wasn't a market for clean cars.

*[At this point, the audio equipment produced feedback.]*

That's one of these guy's—one of those mikes is going off, so I think we're good. *[Laughter]*

But I want everybody to understand there are going to be some times where we do have to

make some choices. I mean, coal is a good example, where—coal is a dirty-burning fuel, and mining coal can often be environmentally really destructive, particularly to rivers and waterways. On the other hand, we've got tons of coal. We're the Saudi Arabia of coal.

So what I've said is, well, let's invest in research and development to see if we can burn coal cleanly. And if we have regulations that provide incentives for coal companies to burn coal cleanly and mine coal cleanly, they'll adapt, and they'll start using new technologies, and that will create a more future-oriented growth industry.

But a lot of folks resist it. Their attitude is, well, no, we don't want to change anything. We just want to keep on doing what we've been doing.

Sooner or later, the world passes you by. China, India, Japan, all these countries are all thinking about new ways to find clean energy. And if we're not the ones who get there first in terms of figuring this stuff out, then they're the ones who are going to get the jobs of the future. And I don't want them to get those jobs. I want us to have those jobs right here in the United States.

So yes, sir.

### *Interest Rates*

*Q.* My name is Bob Duvell. I'm retired.

*The President.* Here, Bob, why don't you grab a mike, although you've got a good strong voice.

*Q.* And I had one question for you regarding interest rates. The Federal Government's current policy seems to be to keep interest rates at a historical low level. The impact this has on retired seniors is the loss of income they receive on interest on CDs and IRAs. When do you see this policy changing so rates can get back to more normal levels?

*The President.* Well, first of all, I just want to make clear the administration doesn't make decisions on interest rates. The Federal Reserve makes decisions on interest rates. And so they really are an independent agency. I have to be very careful when I have a conversation with Ben Bernanke, the head of the Federal Re-

serve. I can talk generally about the economy, but I can't tell him, lower or jack up interest rates. So I want to make that clear.

But your general point I think is an important one. Interest rates are at a historic low because that was part of the way to avoid us tipping into a depression. By keeping interest rates very low, that meant that businesses that had seen consumer demand really shrink were still able to service their debt and to keep their doors open. And so it was the right thing to do to keep interest rates low.

You are absolutely right that that does have an adverse impact on savers and particularly seniors on fixed incomes because they're not getting as much of a return on their savings. The flip side of it is, though, is that inflation is also at a historic low. And so in terms of actual purchasing power, inflation is still low enough that savers are not losing a whole lot of money; they're just not seeing sort of the compounded interest expand their nest egg like it once did.

I think that you will see a return to higher, more normal interest rates when the economy gets stronger; you naturally start seeing more inflation than you're currently seeing. And when that happens, that will, I think, change the position of the Federal Reserve Bank. But as I said, this is not—this is one of those areas—the President has got a lot of power, a lot of juice. This is not one area where he's got juice.

### *Taxes*

*Q.* What about the over-70½ mandatory deduction you have to take from your savings, IRA savings? Last year you changed it; we didn't have to do it.

*The President.* Yes, we did that temporarily as part of an effort because we understood that people were really going through a tough time and might have to dip into savings. We wanted to make sure they weren't penalized for it.

*Q.* But we're still doing that.

*The President.* Yes, the—well, things don't always get through Congress the way you want them. But we're going to be working on this. We're going to have to examine a lot of these issues moving forward as part of how we think about simplifying the Tax Code, making it

fairer, and also making sure that folks in fixed incomes aren't harmed in this environment where it's harder and harder to save for retirement. So thank you for the question.

Q. Mr. President, my name is Darius—

*The President.* Well, hold on a second, though, Darin—just because—I'll get to you, but this gentleman had his hand up first. Or somebody over here did. It was over here.

*Bipartisanship/Inclusive Political Process*

Q. President Obama, I'm Scott Turner, a small-business owner, and one thing for sure about small-business owner, tremendously busy.

*The President.* What kind of business you got?

Q. It's an arborist firm, tree care. And get home at night, I feel like now I'm one of the few Americans who doesn't think he can watch a little bit of cable TV and tell everything you know about how to run the economy. [*Laughter*]

I don't have time to watch it. It's over my head. A good percentage of what we talk about here, the economy, I know I'm too busy working to understand how to tell you how to fix the economy.

So what I like to do is elect an official and send him to Washington and have all you smart guys figure that out. Returning to Dan's question that we didn't get all the way through—and a young person can recognize it, and I certainly recognize it trying to build team in small business—what—is there hope for us returning to civility in our discourse to healthy legislative process to something that I can trust, so as I strap on the boots again tomorrow morning, I know you guys got it under control? Because I'm not smart enough to fix it. I'd love to send you guys to Washington and have you do it. And it's hard to have that faith right now.

*The President.* Well, look, the—first of all, I think you give everybody too much credit when you say everybody in Washington is smart guys. [*Laughter*] I—we might dispute that.

But you're making such a powerful point. I think a lot of people were inspired by our campaign because we tried to maintain a very civil tone throughout the campaign. And part of my

agenda was changing Washington, right? I mean, I came into national notice when I made a speech in Boston talking about there aren't red States and blue States, there's the United States of America. I believe that so profoundly.

I will tell you that changing the culture in Washington is very hard, and I've seen it these last 2 years, because I think that folks in Washington tend to think about how to stay in power more than they think about how to solve problems.

Now, if you look at what happened over the course of these last 2 years—and look, I'm sure I made some mistakes—but essentially, what happened was the other side made a calculated decision. They said: "You know what, we really got beat in 2008 bad. The economy is a mess. It's probably going to take us a while to dig our way out of it. We've got two choices. One choice would be to cooperate with the President and work with him to kind of solve these problems, in which case if things don't work, we get to share the blame, and if things do work, he gets all the credit, and he'll stay in power."

So just from a pure political calculation, they said: "We're better off just saying no to everything, blocking everything. If things don't work, then Obama will get all the blame. And if things get a little bit better, we won't be any worse off than we would have been." That, I think, was the political calculation.

Now, I have to give them credit that from just a raw political point of view, it's been a pretty successful strategy, right? Because right now people are frustrated. All the good feeling that we had coming into the campaign is dissipated. Everybody is thinking to themselves, "Well, gosh, you know, we sent Obama up there, we thought the tone would change, folks are arguing just as much as they were before, so we've kind of lost hope, and we're a little discouraged." And that means a lot of the people who were supporting me may stay—are talking about maybe just staying home in the election. And meanwhile, the other side is all ginned up: We can take power back.

I think that the only way this is going to change is if the same folks who supported me in 2008—not just Democrats, but Independents

and Republicans who want to see the country move forward—if they don't sit on the sidelines, they don't give up, you don't give up, but you say I'm going to keep on looking for folks who are trying to offer serious solutions to problems. And you know, we don't expect our elected officials to be perfect but we do expect them to be honest and real with us about what we're going to do about education or what we're going to do about energy or what we're going to do about this problem or that problem.

And I've just got to assume that if people more and more insist and demand on that kind of attitude and are willing to punish folks when they go over the top, whether it's on the left or the right, in being not so civil, that eventually politicians adapt because they start saying to themselves, "Well, you know what, this is what voters want."

Now, there's one last aspect of this that makes it tough, and that is, the media has gotten very splintered. So what happens is these cable shows and these talk show hosts, they figure—a lot of them have figured out, the more controversial I can be, if I'm going out there and I'm calling Obama this name or that name or saying he wasn't born in this country or—that will get me attention. I will then write a book, I'll go and sell it, I get—right?

And there are folks on the left who do the same thing, trying to be purposely provocative, saying the meanest, nastiest things you can say about the other side. They get rewarded in the way our media is set up right now.

So part of the challenge is figuring out how to create a space for people saying we're all Americans, and we're just going to try to solve our problems, and we're going to have some differences, because some of these issues are hard—is there a way where those voices get heard, because right now they're not really getting heard.

I was amused—Jon Stewart, the host of "The Daily Show," apparently he is going to host a rally called something like "Americans in Favor of a Return to Sanity" or something like that. And his point was, you know, 70 percent of the people—it doesn't matter what their political affiliation are—70 percent of the folks are just like you, which is they're going about their busi-

ness, they're working hard every day, they're looking after their families. They don't go around calling people names. They don't make stuff up. They may not be following every single issue, because they just don't have time. But they are just expecting some common sense and some courtesy in how people interact. And having those voices lifted up is really important. So hopefully, since they've got a whole bunch of cameras here, somebody was just listening to you.

*Q.* We're counting on you, because if you can't do it, I'm not sure who is going to.

*The President.* Well, I appreciate that.

*Q.* So my wife and I are counting on you.

*The President.* Thank you so much. It means a lot. All right, you get—I'm going to have to make this the last question. Go ahead.

#### *National Economy/Consumer Confidence*

*Q.* Okay, lucky me. Mr. President, my name is Darius Johnson. I'm the president of a very small community bank locally. And my question is this. Do you believe that our country, our Nation, is stronger as a result of your leadership, having been elected President? And the reason I ask this question is, I was reading earlier today that the consumer confidence index is down almost to the lowest point this year in the last September reading. And the expectations index is also trending downward. And I wonder if you think our Nation is strong—which I would hope you do—the question is, what is the disconnect between consumers' perception of the Nation, of our economy, and yours?

*The President.* Right. Well, it's a great question. There is no doubt in my mind that the country is stronger now than it was a year ago. And so the policies we put in place have reversed a contracting economy. It's now growing.

As I said before, we were losing hundreds of thousands of jobs a month; now each month we're adding jobs in the private sector.

Businesses are very profitable, which is why the stock market has actually recovered a lot of its value is because companies are making a profit. But I think that the reason there is a disconnect has to do with a couple of things.

Number one, it's the point that—I'm sorry, what was your name?

Q. Scott.

*The President.* The point that Scott made. I think people just—it seems like everybody is out there yelling at each other and angry, and so that kind of is disquieting. It makes people feel like the country just is pulling apart as opposed to coming together.

And then that adds to an atmosphere——

[*The lights flickered.*]

*The President.* —oops—remember I talked energy-efficient buildings, we got to—[*laughter*]. So I think that's part of it. But obviously, the most important part of it is just that people are still hurting economically. Even though things have gotten modestly better, you've still got millions of people out there who are out of a job.

You've still got hundreds of thousands of folks out there who are losing their homes. I hear from them every day in settings like this. I hear from them because I get letters every night from folks who are asking me, why aren't we seeing faster progress in terms of the economy picking up.

And so, you know, this has been now—this was the longest recession and the deepest recession by far that we've experienced since the Great Depression. Basically, unless you were of age during the Great Depression, folks have never seen anything like this.

So understandably, people are nervous. And I think those two things combine because if you don't have confidence that the country can pull together and you know that the problems are hard to solve and you know that we've got competition from China and Japan, India and Brazil and Europe, then you start thinking, well, maybe we're not going to be the same land of opportunity 20 years from now or 30 years from now as we were. And I think even people who are doing okay right now are anxious about the future of the country.

And I guess my response then to people is to say, look, in our own individual lives each of us go through times where it just seems like we get—it feels like we get some bad breaks or we

make some mistakes, something happens in our life where we're kind of in a hole. And the deeper the hole sometimes the harder it is to muster up the energy and the go-get-'em attitude to be able to climb out of it.

But if you persist—at least I've found in my life and I'm sure everybody here has found in their lives—if you persist, if you stay with it, if you have a positive attitude that doesn't ignore problems, but says: "I can solve these problems, as long as I apply myself, and if something doesn't work I don't brood on the fact that it doesn't work; I'm going to try something different. But I'm just going to keep my eye on a better future," then eventually you get out of the hole. You figure it out. And America has always done that. We've been in tough times before, but we've always figured it out. Eventually—this isn't the first time we've had such contentious politics. I mean, shoot, I was—some people may remember when Bill Clinton was President, folks were going nuts, calling him names, and Hillary names, and frankly, when Ronald Reagan was President, the first couple of years, they were—the economy went through a very tough time.

And even though now everybody remembers him as a great communicator, at the time, everybody was saying, "Oh, the country is falling apart." We had inflation and high unemployment. But we got our way—we found our way through it.

And I think we'll find our way through this as well. We're just going to have to be persistent. And the one thing I think everybody has to admit about me, even my detractors, is I'm stubborn. I just—I stay with it. And I'm not going to lose heart about this country because I know what this country has given to me in my own life.

This is the only country in the world where somebody born in my circumstances could stand before you as the President of the United States—or as the President of their country. There's no other country that can provide that kind of opportunity. And if that was true for me, that's going to be true for the next generation. But we're just going to have to keep on pushing.

And being with families like all of yours gives me great confidence in the future.

So thank you very much, everybody. Appreciate it.

NOTE: The President spoke at 4:10 p.m. at the Southampton Recreation Association. In his re-

marks, he referred to Matthew Perry, president of the board of directors, Southampton Recreational Association, his wife Stephanie, and their children Matthew and Lucy; retired nurse Virginia Shelton of Ashland, VA; Rep. Eric Cantor; and Gov. Robert F. McDonnell of Virginia. He also referred to his mother-in-law Marian Robinson.

## Statement on House of Representatives Passage of Legislation To Provide Health Care Services and Compensation for 9/11 Victims *September 29, 2010*

We will never forget the searing images of September 11, 2001. And we will never forget the selfless courage demonstrated by the firefighters, police officers, and first-responders who risked their lives to save others. In the face of unspeakable brutality and evil, these brave men and women demonstrated the enduring strength of our values and the American spirit. Many who survived did not emerge from the dust and debris unscathed, facing continuing health problems as a result of their service. The “James Zadroga 9/11 Health and Compensation Act” would ensure that rescue and recovery

workers, residents, students, and others suffering from health consequences related to the World Trade Center disaster have access to the medical monitoring and treatment they need. It is a critical step for those who continue to bear the physical scars of those attacks. I applaud the House for its support of this bill and for standing up on behalf of these heroes who served our country in its time of greatest need. I look forward to Congress completing consideration of this legislation so I can sign it into law.

NOTE: The statement referred to H.R. 847.

## Statement on Senate Action on Immigration Reform Legislation *September 30, 2010*

I was pleased to see that Senator Menendez introduced a bill in the Senate to fix our Nation’s broken immigration system. I look forward to reviewing it in detail, and I’m pleased that the bill includes important building blocks laid out in the bipartisan framework presented earlier this year addressing the urgent need for reform. Senator Menendez and others in Congress have shown critical leadership on this issue, which is vital to moving this debate forward. As I told Senator Menendez and other members of the Congressional Hispanic Caucus when we met a couple of weeks ago, we cannot continue to allow partisan politics and divisive rhetoric to dominate and delay action on this

critical issue. The American people expect their elected officials from both parties to work together to tackle the greatest challenges confronting our Nation, and that’s what fixing the broken immigration system is all about. The status quo is simply unacceptable for both our economy and our security. Comprehensive immigration reform would provide lasting and dedicated resources for our border security, while restoring accountability and responsibility to the broken system. I look forward to working with members of both parties to get this done.

NOTE: The statement referred to S. 3932.