

*National Debt and Deficit*

*Q.* When will you announce whether you will be supporting the Gang of Six plan? Would that be in the next day?

*The President.* Well, as I said, I think what you're going to be seeing is an evaluation of that plan versus the things that we've been looking at. I think what you're going to see is some significant overlap. But obviously, just because we might agree in principle with a range of issues with six Senators or seven Senators, that doesn't get us out of the House of Representatives; that doesn't get us out of

the Senate. There's going to have to be a broader agreement on the part of all the leadership that we're going to get this done in a serious way, and we've got a tight deadline to do it.

All right? Thanks, guys.

NOTE: The President spoke at 1:32 p.m. in the James S. Brady Press Briefing Room at the White House. In his remarks, he referred to Sens. Saxby C. Chambliss, Thomas A. Coburn, G. Kent Conrad, Michael D. Crapo, Richard J. Durbin, and Mark R. Warner.

Message to the Congress on Continuation of the National Emergency With Respect to the Former Liberian Regime of Charles Taylor

July 20, 2011

*To the Congress of the United States:*

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the *Federal Register* and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice to the *Federal Register* for publication stating that the national emergency and related measures dealing with the former regime of Charles Taylor are to continue in effect beyond July 22, 2011.

The actions and policies of former Liberian President Charles Taylor and other persons, in particular their unlawful depletion of Liberian resources and their removal from Liberia and

secretory of Liberian funds and property, continue to undermine Liberia's transition to democracy and the orderly development of its political, administrative, and economic institutions and resources. These actions and policies continue to pose an unusual and extraordinary threat to the foreign policy of the United States. For this reason, I have determined that it is necessary to continue the national emergency with respect to the former Liberian regime of Charles Taylor.

BARACK OBAMA

The White House,  
July 20, 2011.

NOTE: The notice is listed in Appendix D at the end of this volume.

Remarks at a Town Hall Meeting and a Question-and-Answer Session in College Park, Maryland

July 22, 2011

*The President.* Hello, Maryland! Hello! Nice to see you. Thank you so much. Everybody, please have a seat. I see some smart folks up there wore shorts. [*Laughter*] My

team said I should not wear shorts. [*Laughter*] My legs aren't good enough to wear shorts.

*Audience member.* Yes, they are! [*Laughter*]

*The President.* Thank you. I'll tell Michelle you said so. [Laughter]

It is wonderful to be back in Maryland. I hope everybody is keeping cool, staying hydrated. It is great to be back here in College Park.

I have a few acknowledgments that I want to make, some special guests that we have. First of all, one of the best Governors in the country, Martin O'Malley is in the house. Where's Martin? He was here. There he is over there. By the way, for those of you who have not heard him, outstanding singer and rock-and-roller. So if you ever want to catch his band, it is top notch.

Also, one of the best Senators in the country, Ben Cardin is in the house. We've got College Park Mayor Andrew Fellows is here. Former Congressman Frank Kratovil is here. You wouldn't know it looking at him, but Frank is an outstanding basketball player. [Laughter] The Terps might be able to use him even at this age. [Laughter] He is a point guard, got all kinds of moves. [Laughter]

And I want to thank your still quasi-new president here at Maryland, Wallace Loh, for the outstanding work that he's doing.

So this is a town hall. I want to spend some time answering some of your questions, but just want to say a few things at the top. First of all, I have to say it's nice to get out of Washington. [Laughter] Don't get me wrong, there's nothing I enjoy more than sitting, hour after hour, day after day—[laughter]—debating the fine points of the Federal budget with Members of Congress. [Laughter] But after a while you do start feeling a little cooped up. So I'm happy to be spending my morning with you.

I'm going to spend most of my time answering your questions, but let me do say a few words about the debate that's taking place right now in Washington, about debt and deficits. Obviously, it's dominating the news. Even though it's taking place in Washington, this is actually a debate about you and everybody else in America and the choices that we face.

And most people here, whether you're still a student or you're a graduate or you're a parent, your number-one concern is the economy. That's my number-one concern. It's the first

thing I think about when I wake up in the morning; it's the last thing I think about when I go to bed at night. And I won't be satisfied until every American who wants a job can find one and until workers are getting paychecks that actually pay the bills, until families don't have to choose between buying groceries and buying medicine, between sending their kids to college and being able to retire in some dignity and some respect.

So we have gone through a very difficult 2½ years, the worst financial crisis and the worst recession we've seen since the Great Depression. And although some progress has been made, there's no doubt that this economy has not recovered as fast as it needs to. And the truth is, it's going to take more time, because a lot of the problems that we're facing right now—slow job growth, stagnant wages—those were there even before the recession hit.

For a decade, the average income, the average income of the American worker had flat-lined. Those at the very top saw their incomes going up 50 percent, 100 percent. But those in the middle, the vast majority of Americans, they had been struggling to keep up before the recession hit.

And so these challenges weren't caused overnight; they're not going to be solved overnight. But as John F. Kennedy once said, "Our problems are manmade, therefore they can be solved by man."

In the United States, we control our own destiny. The question we have to answer, though, is: Where do we want to go? What's our vision for the future, and how do we get there? Now, in the short term, I've been urging Congress to pass some proposals that would give the economy an immediate boost. And these are proposals, by the way, that traditionally have had support in both parties.

I want to extend the tax relief that we put in place back in December for middle class families so that you have more money in your paychecks next year. If you've got more money in your paychecks next year, you're more likely to spend it, and that means small businesses and medium-sized businesses and large businesses

will have more customers. And they'll be in a position to hire.

I want to give more opportunities to all those construction workers out there who lost their jobs when the housing bubble went bust. We could put them to work, giving loans to private companies that want to repair our roads and our bridges and our airports, rebuilding our infrastructure, putting Americans to work doing the work that needs to be done. We have workers in need of a job and a country that's in need of rebuilding, and if we put those two things together we can make real progress.

I want to cut redtape that stops too many inventors and entrepreneurs from turning new ideas into thriving businesses. I want Congress to send me a set of trade deals that would allow our businesses to sell more products in countries in Asia and South America that are stamped with the words "Made in America."

So these are some things that we could be doing right now. There are proposals in Congress, as we speak, and Congress needs to act now. But I also believe that over the long term, the strength of our economy is going to depend on how we deal with the accumulated debt and deficits that have built up over the last decade. And that's what the discussion in Washington is about right now.

Now, I know it's hard to keep up with the different plans and the press conferences and the back and forth between the parties, but here's what it all boils down to; it's not that complicated: For a decade, we have been spending more money than we take in. Last time the budget was balanced was under a Democratic President, Bill Clinton. And a series of decisions were made—whether it was cutting taxes or engaging in two wars or a prescription drug benefit for seniors—that weren't paid for, and then a financial crisis on top of that, Recovery Act to try to pull us out of a Great Depression—all those things contributed to this accumulated debt.

And regardless of what you feel about the particular policies—some of you may have supported the wars or opposed the wars; some of you may have agreed with the Recovery Act, some of you may be opposed—regardless of

your views on these various actions that were taken, the fact is they all cost money. And the result is that there's simply too much debt on America's credit card.

Neither party is blameless for the decisions that led to this problem, but both parties have a responsibility to solve it. If we don't solve it, every American will suffer. Businesses will be less likely to invest and hire in America. Interest rates will rise for people who need money to buy a home or a car or go to college. We won't have enough money to invest in things like education and clean energy or protect important programs like Medicare, because we'll be paying more and more interest on this national debt and that money just flows overseas instead of being spent here on the things that we need.

Now, the one thing we can't do—cannot do—is decide that we are not going to pay the bills the previous Congresses have already racked up. So that's what this whole issue of raising the debt ceiling is all about. Basically, there are some people out there who argue we're not going to raise the debt ceiling any more. And the problem is, effectively what that's saying is, we're not going to pay some of our bills. Well, the United States of America does not run out without paying the tab. We pay our bills. We meet our obligations. We have never defaulted on our debt. We're not going to do it now.

But even if we raise the debt ceiling, this debate shouldn't just be about avoiding some kind of crisis, particularly a crisis manufactured in Washington. This is a rare opportunity for both parties to come together and choose a path where we stop putting so much debt on our credit card. We start paying it down a little bit. And that's what we've been trying to do.

So for my part, I've already said that I'm willing to cut a historic amount of Government spending in order to reduce the deficit. I'm willing to cut spending on domestic programs, taking them to the lowest level since Dwight Eisenhower. I'm willing to cut defense spending at the Pentagon by hundreds of billions of dollars. I'm willing to take on the rising costs of health care programs like Medicare and Med-

icaid so that these programs will be there for the next generation, for folks—for a population generally that's getting older and living longer. We've got to make sure that these programs, which are the crown jewels of our social safety net, that—sort of mixed metaphors there—[laughter]—that those are there for the future.

And some of these cuts would just eliminate wasteful spending: weapons we don't need, fraud and abuse in our health care system. But I want to be honest. I've agreed to also target some programs that I actually think are worthwhile. They're cuts that some people in my own party aren't too happy about. And frankly, I wouldn't make them if money wasn't so tight. But it's just like a family. If you've got to tighten your belts, you make some choices.

Now, here's the thing, though—and this is what the argument is about—we can't just close our deficit with spending cuts alone, because if we take that route, it means that seniors would have to pay a lot more for Medicare or students would have to pay a lot more for student loans. It means that laid-off workers might not be able to count on temporary assistance or training to help them get a new job. It means we'd have to make devastating cuts in education and medical research and clean energy research, just at a time when gas prices are killing people at the pump.

So if we only did it with cuts, if we did not get any revenue to help close this gap between how much money is coming in and how much money is going out, then a lot of ordinary people would be hurt and the country as a whole would be hurt. And that doesn't make any sense. It's not fair.

And that's why I've said if we're going to reduce our deficit, then the wealthiest Americans and the biggest corporations should do their part as well. Before we stop funding clean energy research, let's ask oil companies and corporate jet owners to give up the tax breaks that other companies don't get. I mean, these are special tax breaks. Before we ask college students to pay more for their education, let's ask hedge fund managers to stop paying taxes that are lower on their rates than their secretaries. Before we ask seniors to pay more for

Medicare, let's ask people like me to give up tax breaks that we don't need and we weren't even asking for.

Look, I want everybody in America to do well. I want everybody to have a chance to become a millionaire. I think the free market system is the greatest wealth generator we've ever known. This isn't about punishing wealth, it's about asking people who have benefited the most over the last decade to share in the sacrifice. And I think these patriotic Americans are willing to pitch in—if they're asked—because they know that middle class families shouldn't have to pick up the whole tab for closing the deficit.

So this idea of balance, this idea of shared sacrifice, of a deficit plan that includes tough spending cuts, but also includes tax reform that raises more revenue, this isn't just my position. This isn't just the Democratic position. This isn't some wild-eyed socialist position. [Laughter] I mean, this is a position that's being taken by people of both parties and no party. It's a position taken by Warren Buffet, somebody who knows about business and knows a little something about being wealthy. [Laughter] It's a position that's been taken by every Democratic and Republican President who've signed major deficit deals in the past, from Ronald Reagan to Bill Clinton. And I was pleased to see this week that it's a position taken by Democrats and Republicans in the Senate.

So we can pass a balanced plan like this. It's not going to make everybody happy. In fact, it will make everybody somewhat unhappy. The easiest thing for a politician to do is to give you more stuff and ask less in return. It's a lot harder to say, we got to cut back on what you're getting and you got to pay a little more. That's never fun. But we can do it in a balanced way that doesn't hurt anybody badly, that doesn't put the burden just on one group.

So we can solve our deficit problem. And I'm willing to sign a plan that includes tough choices I would not normally make, and there are a lot of Democrats and Republicans in Congress who, I believe, are willing to do the same thing. The only people we have left to convince are some folks in the House of

Representatives. We're going to keep working on that. [Laughter] Because I still believe we can do what you sent us here to do.

In 2010, Americans chose a divided Government, but they didn't choose a dysfunctional Government. And—[applause]. So there will be time for political campaigning, but right now this debate shouldn't be about putting on—scoring political points. It should be about doing what's right for the country, for everybody. You expect us to work together. You expect us to compromise. You've all been working hard. You've been doing whatever you have to do in order to get by and raise your families. You're meeting your responsibilities. So it's time for those of us in Washington to do the same thing. And I intend to make that happen in the coming days.

So thank you, everybody. Let me take some questions.

All right, so the way this works is you put up your hand and I call on you. [Laughter] But I am going to go girl, boy, girl, boy to make sure that it's even and fair. All right? So I'm going to start with you right there.

Yes. Hold on, we got a mike here, so—and introduce yourself if you don't mind.

#### *Freedom of Religion*

Q. Hello, Mr. President.

*The President.* Hi.

Q. My name is Amanda Knief—and I'm a big fan. I'm from Iowa, originally.

*The President.* Nice.

Q. Yes. [Laughter] I'm an atheist. And in Zanesville, Ohio, in 2008, you asserted that no organization receiving taxpayer funds would be able to discriminate in hiring or firing based on a person's religion. However, you have not rescinded the Executive order that permits this type of discrimination. In a time of economic hardship, when it is difficult for a person to get a job based on her skills, what would you say to a woman who has been denied employment because of her religion or lack of religious beliefs by a taxpayer-funded organization?

*The President.* Well, this is a very difficult issue, but a more narrow one than, I think, might be implied. It's very straightforward that

people shouldn't be discriminated against for race, gender, sexual orientation, and—or religious affiliation.

What has happened is, is that there has been a carve-out, dating back to President Clinton's Presidency, for religious organizations in their hiring for particular purposes. And this is always a tricky part of the First Amendment. On the one hand, the First Amendment ensures that there's freedom of religion. On the other hand, we want to make sure that religious bodies are abiding by general laws.

And so where this issue has come up is in fairly narrow circumstances where, for example, you've got a faith-based organization that's providing certain services; they consider part of their mission to be promoting their religious views, but they may have a daycare center associated with the organization, or they may be running a food pantry, and so then the question is, does a Jewish organization have to hire a non-Jewish person as part of that organization?

Now, I think that the balance we've tried to strike is to say that if you are offering—if you have set up a nonprofit that is disassociated from your core religious functions and is out there in the public doing all kinds of work, then you have to abide generally with the non-discrimination hiring practices. If, on the other hand, it is closer to your core functions as a synagogue or a mosque or a church, then there may be more leeway for you to hire somebody who is a believer of that particular religious faith.

It doesn't satisfy everybody. I will tell you that a lot of faith-based organizations think that we are too restrictive in how we define those issues. There are others like you, obviously, who think that we're not restrictive enough. I think we've struck the right balance so far. But this is something that we continue to be in dialogue with faith-based organizations about to try to make sure that their hiring practices are as open and as inclusive as possible.

Okay? Thank you.

Yes, sir. Back here. Hold on a second; we got a mike.

*National Debt and Deficit*

Q. Yes. Most of the American people are on your side about a balanced approach.

*The President.* Right.

Q. What we also know is most of the budget cuts are going to be in the out-years. So the question is, why push so hard for a big settlement now, when if you push hard and let the American people vote in 2012 and get rid of these hooligans in the House, we might actually have a reasonable settlement, maybe more like a 1-to-1 relationship instead of 3 to 1 or worse?

*The President.* The challenge I have in these negotiations is, whether I like it or not, I've got to get the debt ceiling limit raised.

Q. The 14th Amendment?

*The President.* Well, I'll answer that question later. But I just want to make sure that everybody understands defaulting is not an option.

There are some on either side that have suggested that somehow we could manage our way through. But I just want everybody to be clear, the United States Government sends out about 70 million checks every month. We have to refinance bonds that we've issued, essentially IOUs to investors. We do that every week. If suddenly, investors—and by the way, a lot of those investors are Americans who have Treasury bills, pension funds, et cetera—if suddenly they started thinking that we might not pay them back on time, at the very least, at the bare minimum, they would higher—charge a much higher interest rate to allow the United States to borrow money.

And if interest rate costs go up for the United States, they're probably going to go up for everybody. So it would be an indirect tax on every single one of you. Your credit card interest rates would go up. Your mortgage interest would go up. Your student loan interest would potentially go up. And ironically, the costs of servicing our deficit would go up, which means it would actually potentially be worse for our deficit if we had default. It could also plunge us back into the kind of recession that we had back in 2008 and '09. So it is not an option for us to default.

My challenge, then, is I've got to get something passed. I've got to get 218 votes in the House of Representatives.

Now, the gentleman asked about the 14th Amendment. There's a provision in our Constitution that speaks to making sure that the United States meets its obligations. And there have been some suggestions that a President could use that language to basically ignore this debt ceiling rule, which is a statutory rule. It's not a constitutional rule. I have talked to my lawyers. They do not—they are not persuaded that that is a winning argument. So the challenge for me is to make sure that we do not default, but to do so in a way that is as balanced as possible and gets us at least a downpayment on solving this problem.

Now, we're not going to solve the entire debt and deficit in the next 10 days. So there's still going to be more work to do after this. And what we're doing is to try to make sure that any deal that we strike protects our core commitments to Medicare and Medicaid recipients, to senior citizens, to veterans. We want to make sure that student loans remain affordable. We want to make sure that poor kids can still get a checkup, that food stamps are still available for folks who are desperately in need. We want to make sure that unemployment insurance continues for those who are out there looking for work.

So there are going to be a certain set of equities that we're not willing to sacrifice. And I've said we have to have some revenue as part of the package.

But I'm sympathetic to your view that this would be easier if I could do this entirely on my own. [Laughter] It would mean all these conversations that I've had over the last 3 weeks, I could have been spending time with Malia and Sasha instead. But that's not how our democracy works. And as I said, Americans made a decision about divided Government. I'm going to be making the case as to why I think we've got a better vision for the country. In the meantime, we've got a responsibility to do our job.

But it was an excellent question. Thank you.

All right. Young lady right here, right in the front. Yes, hold on, let's get you a mike so we can hear you. Stand up. What's your name?

*The President's Accomplishments*

Q. My name is Kasa. I have two questions. One is, is there anything—like, obviously, you've had a successful Presidency, but is there anything—

*The President.* Well, that's not obvious to everyone. [Laughter] But I appreciate you thinking it's obvious.

Q. I think it's successful; that's all that matters. But is there anything you regret or would have done differently? And my second question is, can I shake your hand? [Laughter]

*The President.* Yes, I'll come and shake your hand, I promise. I will. [Laughter] Do I have any major regrets? You know, when I think—and I think about this all the time. I mean, I'm constantly rerunning in my head did we make the right move here, could we have done more there. I think, overall, in an extremely difficult situation, we've made good choices, we've made good decisions.

Now, but we've been constrained, even when we had a Democratic Congress, because the way the Senate works these days is you've got to get essentially 60 votes in order to get anything through the Senate. Frank remembers this, because we got a lot of good stuff out of the House that never survived in the Senate. So because of what's—the rules of the filibuster in the Senate, it meant that, on economic policy, I might have done some things more aggressively if I could have convinced more Republicans in the Senate to go along.

I do think that in the first year, right after we found out that 4 million people had lost their jobs before I was sworn in, I think that I could have told the American people more clearly how tough this was going to be, how deep and long lasting this recession was going to be.

That's always a balance for a President. On the one hand, you want to project confidence and optimism. And remember, in that first year, people weren't sure whether the banking system was going to melt down and whether we were going to go into a great depression.

And so it was important for me to let the American people know we're going to be all right, we're going to be able to get through this.

On the other hand, I think maybe people's expectations were that somehow we were going to be able to solve this in a year. And we knew pretty soon after I took office that this was going to last for a while, because, historically, when you have recessions that arise out of financial crises, they last a lot longer than the usual business cycle recessions.

Beyond that, I also think that over the first 2 years I was so focused on policy and getting the policy right, that sometimes I forgot part of my job is explaining to the American people why we're doing this policy and where we're going. And so I think a lot of people started trying to figure out, well, how do all these pieces fit together. The auto industry has been saved, and that was a good thing. Well, that saved a million jobs, but people weren't sure how did that relate to our housing strategy or how did that relate to health care. And so I think that was something that I could have done better.

That's just two items on what I'm sure are a very long list—[laughter]—of things that I could do better. But having said that, the basic thrust of my first 2½ years have been entirely consistent with what I said I was going to do during the campaign, because what I promised was that not only were we going to deal with the immediate crisis, I said we are going to start laying the foundation for us to solve some of these long-term problems.

So when we changed, for example, the student loan program to take billions of dollars that were going to the banks, as middlemen in the student loan program, and redirected them so that students—millions more students—would benefit from things like Pell grants, that was in pursuit of this larger goal that we have to once again be the Nation that has the highest percentage of college graduates and that we have the best skilled workforce, because that's what it's going to take to win the future.

When we initiated health care reform, it was based on a long-term assessment that if we don't get control of our health care costs and

stop sending people to the emergency room for very expensive care, but instead make sure they've got adequate coverage so that they are getting regular checkups and they are avoiding preventable diseases like diabetes, that unless we do that, we're going to go broke just on health care spending.

When we made the biggest investment in clean energy in our history over the last 2½ years, it's because of my belief that we have to free ourselves from the lock-grip that oil has on our economic well-being and our security.

And so I'm going to keep on pushing for those things that position us to be the most competitive, the most productive nation on Earth in the 21st century. And I think on that front, we have been very successful.

All right. Let me see. This gentleman right here in the blue shirt.

*Drug Addiction Treatment and Prevention*

Q. Mr. President, good to meet you. My name is Steve. I'm a doctoral student here.

*The President.* What are you studying?

Q. Political rhetoric.

*The President.* Uh-oh. [Laughter] How am I doing so far?

Q. Pretty good, pretty good.

*The President.* All right. I feel like I'm getting graded up there. [Laughter] Go ahead.

Q. All right. Much sacrifice is being asked of our generation. So when are our economic perspectives going to be addressed? For example, when is the war on drugs and society going to be abandoned and replaced by a more sophisticated and cost-effective program of rehabilitation such as the one in Portugal?

*The President.* I have stated repeatedly, and it's actually reflected in our most recent statement by our Office of Drug Policy, that we need to have an approach that emphasizes prevention, treatment, a public health model for reducing drug use in our country. We've got to put more resources into that. We can't simply focus on interdiction because, frankly, no matter how good of a job we're doing, when it comes to an interdiction approach, if there is high demand in this country for drugs, we are going to continue to see not only drug use, but

also the violence associated with the drug trade.

This has obviously become extremely severe for Mexico, and we are working now with the Mexican Government, in part to help them deal with these transnational drug dealers, but one of the things that I've said to President Calderon is we understand that we have an obligation here in this country to reduce demand and the only way that you reduce demand is through treatment and prevention.

And there are a lot of communities around the country where if you are—if you have a serious drug problem and you decide, I'm going to kick the habit, and you seek out treatment—assuming you're not wealthy, because it may not be covered even if you have health insurance—but particularly if you're poor, you may have a 90-day wait before you can even get into a program. Well, obviously, if you're trying to kick a habit, waiting 90 days to get help is a problem.

So I agree with you that we have to make sure that our balance in our approach is also focused on treatment, prevention. And part of our challenge is also getting into schools early and making sure that young people recognize the perils of drug use.

Now, am I—just to make sure that I'm actually answering your question—am I willing to pursue a decriminalization strategy as an approach? No. But I am willing to make sure that we're putting more resources on the treatment and prevention side. Okay?

All right. Right here, right in the front.

*Compromise in Government/Bipartisanship*

Q. Hi. My name is Mary Wagner. I teach government at Blake High School in Montgomery County.

*The President.* Great.

Q. And one of the things that we teach our students when we're teaching them about this governmental system that we have is how important it is in a two-party system to compromise. And my students watched the Republican leadership after the last election saying things out loud like, we're not going to compromise with the Democrats. And does that

mean—are things changing? Do we not use compromise anymore? And what should I teach my students about how our Government works if people are saying out loud, we're not going to compromise with the other party?

*The President.* I think you should keep on teaching your students to compromise, because that's not just how government works, that's how life works. How many people here are married? [*Laughter*] For those of you who are not, but intend to get married, let me just tell you—[*laughter*—you'd better get used to compromise.

All of us have particular views, a particular vision, in terms of where we think things should go. But we live in societies, we live in communities. And that means we never get our way a hundred percent of the time. That's what we teach our kids. That's what we teach our students. That's how government has to work.

And there's this notion—I was actually reading an article on the way over here, and the basic notion was that, well, Obama is responsible, but he doesn't fight enough for how he believes, and the Republicans are irresponsible, but are full of conviction. So this was sort of the way the article was posed. And this notion that somehow if you're responsible and you compromise, that somehow you're giving up your convictions, that's absolutely not true.

I mean, look, the—I think it's fair to say that Abraham Lincoln had convictions. But he constantly was making concessions and compromises. I've got the Emancipation Proclamation hanging up in the Oval Office, and if you read that document—for those of you who have not read it—it doesn't emancipate everybody. It actually declares the slaves who are in areas that have rebelled against the Union are free, but it carves out various provinces, various parts of various States that are still in the Union, you can keep your slaves.

Now, think about that. That's—the Great Emancipator was making a compromise in the Emancipation Proclamation because he thought it was necessary in terms of advancing the goals of preserving the Union and winning the war. And then ultimately, after the war was

completed, you then had the 13th and 14th and 15th Amendments.

So you know what, if Abraham Lincoln could make some compromises as part of governance, then surely we can make some compromises when it comes to handling our budget.

Now, but you're absolutely right that the culture is now pushing against compromise, and here are a couple of reasons. I mean, one reason is the nature of congressional districts. They've gotten drawn in such a way where some of these districts are so solidly Republican or so solidly Democrat, that a lot of Republicans in the House of Representatives, they're not worried about losing to a Democrat; they're worried about somebody on the right running against them because they compromised. So even if their instinct is to compromise, their instinct of self-preservation is stronger, and they say to themselves, I don't want a primary challenge. So that leads them to dig in.

You've got a media that has become much more splintered. So those of you who are of a Democratic persuasion are only reading the New York Times and watching MSNBC—[*laughter*]—and if you are on the right, then you're only reading the Wall Street Journal editorial page and watching FOX News. [*Laughter*] And if that's where you get your information, just from one side, if you never even have to hear another argument, then over time, you start getting more dug in into your positions.

They've actually done studies—this is interesting—that if you put people in a room who agree with each other basically—if you just put a group of very liberal folks together and they're only talking to each other for long periods of time, then they start becoming—they kind of gin each other up and they become more and more and more liberal. And the same thing happens on the conservative side; they become more and more and more conservative. And pretty soon, you've got what you have now, which is, everybody is demonizing the other side; everybody considers the other side completely extremist, completely unscrupulous, completely untrustworthy. Well, in

that kind of atmosphere, it's pretty hard to compromise.

So we have to wind back from that kind of political culture. But the only way we do it is if the American people insist on a different approach and say to their elected officials, we expect you to act reasonably, and we don't expect you to get your way a hundred percent of the time, and we expect you to have strong convictions, but we also expect you to manage the business of the people. And if you're sending that message, eventually, Congress will get it. But it may take some time. You've got to stay on them.

All right? Gentleman back there, right there. You got a microphone. Oh, I'm sorry, I was pointing to this gentleman right there. Yes.

*Persons With Disabilities/Budget Debate*

Q. Mr. President, good morning to you.

*The President.* Good morning.

Q. I have cerebral palsy, as does my brother. And I come to you to implore you to do as much as you can to protect services and supports for people with disabilities in your negotiations with Speaker Boehner and Leader Cantor. I know that's hard because Mr. McConnell has said he wants to make you a one-term President. But the issue is we need the vital therapies that Medicaid provides. We need a generous IDEA budget so people like me with severe disabilities can graduate from high school with a diploma and go to college. So please don't leave us holding the bag. I know that a lot of people at Easter Seals are very worried, but given your experience with your father-in-law, I know you'll do the right thing, sir. It's an honor to speak with you.

*The President.* Thank you. That's a wonderful comment. And the reference to my father-in-law, he actually had muscular dystrophy, but ended up being pretty severely handicapped by the time he was 30, 35, but still went to work every single day, never missed a day of work, never missed a ballgame of Michelle's brother, never missed a dance recital of Michelle's, raised an incredible family, took care of all his responsibilities, didn't leave a lot of debt to his kids—an extraordinary man.

And you're exactly right that the enormous potential that so many people have, if they just get a little bit of help, that has to be factored in when we're making decisions about our budget, because if we're not providing services to persons with disabilities and they are not able to fulfill their potential—graduate from high school, go to college, get a job—then they will be more reliant on Government over the long term because they'll be less self-sufficient. That doesn't make any sense.

I mean, so we've always got to factor in, are we being penny wise and pound foolish? If we cut services for young people—let's say a lot of States are having to make some tough budget decisions—I know Martin has had to make some tough ones here. But I know one of the things that Martin has tried to do is to preserve as much as possible Maryland's commitment to education, because he knows, look, I may save some money—[*applause*]*—*he knows, short term, I may save some money if I lay off a whole bunch of teachers and classroom sizes get larger and we're giving less supplemental help to kids in need. But over the long term, it's more likely, then, that those kids end up dropping out of school, not working, not paying taxes, not starting businesses, maybe going to prison. And that's going to be a huge drag on the State's capacity to grow and prosper.

So we've always got to think about how do we trim back on what we need now, but keep our eyes on what are our investments in the future. And this is what you do in your own family. Think about it. Let's say that something happens, somebody in your family loses a job; you've got less income coming in. You're probably going to cut back on eating out. You're probably going to cut back on the kind of vacations you take, if any. But you're not going to cut out the college fund for your kid. You're not going to cut out fixing the roof if it's leaking, because you know that if I don't fix the roof, I'm going to get water damage in my house, and that's going to cost me more money.

Well, the same thing is true here in America when it comes to infrastructure, for example. We've got all these broken-down roads and

bridges, and our ports and airports are in terrible shape.

I was talking to the CEO of Southwest Airlines, and we've been doing a lot of work on the need for a next-generation air control system. And he said to me—think about this—that if we fixed, updated an air control system that was basically put in place back in the thirties, if we upgraded that to use GPS and all the new technologies, the average airline would save 15 percent in fuel—15 percent—which, some of that you'd get in terms of lower airfare. That's 15 percent less carbon going into the atmosphere, for those of you who are concerned about climate change. So why wouldn't we do that? Now, it costs some money to do it initially, but if we make the investment, it will pay off.

All right, how much time do I have, Reg? I got time for one more question? Okay. Well, this one—all right, well, she is standing and waving, so—[laughter].

#### *Gentrification and Urban Revitalization*

Q. Hi, my name is Darla Bunting. I'm a third grade literacy teacher in Southeast DC. And I view gentrification as a catch-22, because on one hand, you're bringing major businesses to underdeveloped areas of different cities, but on the other hand, the very people who live in the neighborhoods, it kind of seems as though they're not reaping the benefits. And I wanted to know how can we create sustainable neighborhoods that allow people who are still trying to achieve the American Dream to be able to afford and live in these brand new neighborhoods and communities?

*The President.* Well, first of all, I have to say that gentrification has been a problem in some communities. But right now, frankly, that would probably be a problem that a lot of communities would welcome if there was a lot of investment going on. We're probably seeing in a lot of cities around the country the reverse problem, which is no investment, people not building new homes, young people not moving back into some of these communities, and so they're emptying out. So as problems go for cities, this is probably not a bad problem to

have because it means the city is growing and attracting new businesses and new energy.

I think that this is typically an issue for local communities to make determinations about how do you get the right balance. If, in fact, certain areas of a city are growing, how do you make sure that it still has housing for longtime residents who may not be able to afford huge appreciation in property values? How do you make sure that the businesses that have been there before are still able to prosper as an economy changes?

What we have done is try to refocus how the Federal Government assists cities. The Federal Government provides help to cities through the Department of Transportation, through the Department of Housing and Urban Development. Obviously, Health and Human Services does a lot of stuff to manage services for low-income persons. But sometimes the whole is less than the sum of its parts. Sometimes there's not enough coordination between various Federal agencies when they go into a particular community.

So one of the things that we've been trying as part of a new approach to urban revitalization is sending one Federal team to a particular city to gather all the Federal agencies together and say, what's working with the city, what's the plan for this city, and how do we get all these pieces to fit together? And so in a situation like you described, we might say, how do we continue to foster growth, but can we help some of those small businesses who feel like they're getting pushed out so that they can stay and they can upgrade and they can take advantage of these new opportunities? And so far, we're seeing some success in this new approach.

But as I said, for a lot of cities right now, the big problem is not gentrification. The big problem is property values have plummeted, you got a bunch of boarded-up buildings, a bunch of boarded-up stores. And the question is, how do you get economic activity going back in those communities again?

Even though I—Reggie said one more question, I'm actually going to call on Tom McMillen, just because he's a friend of mine and he

had his hand up earlier. And he was a pretty good ballplayer. I mean, I'm not sure he was as good as Frank, but I hear he was pretty good. [Laughter]

*National Debt and Deficit/National Economy/Job Growth/Taxes*

*Former Rep. C. Thomas McMillen.* Well, thank you, Mr. President, for coming out to the University of Maryland. You have an open invitation to Comcast arena. And Frank and I and a couple of us will be glad to set up a pickup game if you want to do that, so—

*The President.* There you go. [Laughter] There you go.

*Former Rep. McMillen.* But my serious question is the following: You know, we're focused so much on this debt right now and the debt limit, but this country could be sliding into another slowdown. And how do we avoid what happened to President Roosevelt in the thirties? Because we ought to be focusing on getting this economy going again.

*The President.* Good. For those of you who've studied economic history and the history of the Great Depression, what Tom is referring to is, Roosevelt comes in—FDR comes in, he tries all these things with the New Deal; but FDR, contrary to myth, was pretty fiscally conservative. And so after the initial efforts of the New Deal and it looked like the economy was growing again, FDR then presented a very severe austerity budget. And suddenly, in 1937, the economy started going down again. And ultimately, what really pulled America out of the Great Depression was World War II.

And so some have said, I think rightly, that we've got to be careful that any efforts we have to reduce the deficit don't hamper economic recovery, because the worst thing we can do for the deficit is continue to have really bad growth or another recession.

So what I've tried to emphasize in this balanced package that we've talked about is how do we make a serious downpayment and commitment to deficit reduction, but as much as possible, focus on those structural long-term costs that gradually start coming down, as opposed to trying to lop off everything in the first

year or two, and how do we make sure that as part of this package we include some things that would be good for economic growth right now.

So back in December, we passed a payroll tax cut that has saved the typical family a thousand dollars this year. That's set to expire at the end of this year. And what I've said is, as part of this package, we should renew that payroll tax cut so that consumers still have more in their pockets next year until the economy gets a little bit stronger.

I've said that we have to renew unemployment insurance for another year, because obviously, the economy is still not generating enough jobs and there are a lot of folks out there who are hugely reliant on this. But it's also, unemployment insurance is probably the money that is most likely to be spent. By definition, people need it, and so it recirculates in the economy, and it has an effect of boosting aggregate demand and helping the economy grow.

So as much as possible, what I'm trying to do is to make sure that we have elements in this package that focus on growth now. And then, I think it's going to be important for us to, as soon as we get this debt limit done, to focus on some of the things that I mentioned at the top: patent reform, getting these trade deals done, doing an infrastructure bank that would help to finance the rebuilding of America and putting a lot of workers who've been laid off back to work. We don't have time to wait when it comes to putting folks back to work.

Now, what you'll hear from the other side is the most important thing for putting people back to work is simply cutting taxes or keeping taxes low. And I have to remember—I have to remind them that we actually have sort of a comparison. We have Bill Clinton, who created 22 million jobs during the 8 years of his Presidency, in which the tax rates were significantly higher than they are now and would be higher even if, for example, the tax breaks for the high-income Americans that I've called for taking back, even if those got taken back, taxes would still be lower now than they were under Bill Clinton, but the economy did great,

generated huge amounts of jobs. And then we had the 8 years before I was elected, in which taxes were very low, but there was tepid job growth.

Now, I'm not saying there's an automatic correlation. But what I am saying is that this theory that the only thing, the only answer to every economic problem we have, the only answer for job creation is to cut taxes for the wealthiest Americans and for corporations is not borne out by the evidence. And we should be a little more creative in how we think about it.

The last thing I'll say, because we've got a lot of young people here, I know that sometimes, things feel discouraging. We've gone through two wars. We've gone through the worst financial crisis in any of our memories. We've got challenges environmentally. We've got conflicts around the world that seem intractable. We've got politicians who only seem to argue. And so I know that there must be times where you kind of say to yourself, golly, can't anybody get their act together around here? And what's the world that I'm starting off in? And how do I get my career on a sound foundation? And you got debts you've got to worry about.

I just want all of you to remember, America has gone through tougher times before, and we have always come through. We've always

emerged on the other side stronger, more unified. The trajectory of America has been to become more inclusive, more generous, more tolerant.

And so I want all of you to recognize that when I look out at each and every one of you, this diverse crowd that we have, you give me incredible hope. You inspire me. I am absolutely convinced that your generation will help us solve these problems. And I don't want you to ever get discouraged, because we're going to get through these tough times just like we have before, and America is going to be stronger, and it's going to be more prosperous, and it's going to be more unified than ever before, thanks to you.

God bless you all. God bless America.

NOTE: The President spoke at 11:04 a.m. in Ritchie Coliseum at the University of Maryland. In his remarks, he referred to Warren E. Buffett, chief executive officer and chairman, Berkshire Hathaway Inc.; Gary C. Kelly, chief executive officer, Southwest Airlines Co.; and Personal Aide to the President Reginald L. Love. He also referred to his brother-in-law Craig M. Robinson. A participant referred to the Individuals with Disabilities Education Act (IDEA).

## Remarks Following a Meeting With Prime Minister John P. Key of New Zealand

July 22, 2011

*President Obama.* I want to welcome Prime Minister Key to the Oval Office. We have had occasion to work together at various multilateral summits in Asia and have always been struck by the intelligence and thoughtfulness that the Prime Minister brings to his work.

Obviously, we are very pleased that the relationship between New Zealand and the United States is growing stronger by the day. Part of that has to do with the great affection that our peoples have towards each other. Part of it has to do with a great deal of common interests and a set of common values.

So the Prime Minister and I discussed a range of economic issues, including our great interest in promoting a more effective trade regime among the Asia-Pacific nations, and we're working on this Trans-Pacific Partnership; we hope to have a framework agreement by the time that we go to Honolulu for the APEC meeting.

We discussed how countries can cooperate around disaster response. Obviously, we are still heartbroken by the loss of life and property resulting from the earthquakes in Christchurch and are incredibly impressed by the resilience of the people of New Zealand as they