AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

Week Ending Friday, October 10, 2008

The President's Radio Address

October 4, 2008

Good morning. This week, Congress passed a bipartisan rescue package to address the instability in America's financial system. This was a difficult vote for many Members of the House and Senate, but voting for it was the right choice for America's economy and for taxpayers like you. I appreciate their efforts to help stop the crisis in our financial markets from spreading to our entire economy. And I appreciate their willingness to work across party lines in the midst of an election season.

The legislation Congress passed provides the necessary tools to address the underlying problem in our financial system. The root of this problem is that, as assets that banks hold have lost value, their ability to provide credit has been restricted, making it more difficult for businesses and consumers to obtain affordable loans.

Without decisive action, this credit crunch threatens to harm our entire economy. With this legislation, the Federal Government can help banks and other financial institutions resume lending. This will allow them to continue providing the capital that is essential to creating jobs, financing college educations, and helping American families meet their daily needs.

Though the $700 billion dedicated to this plan is a large amount, the final cost to taxpayers will actually be much lower. Many of the assets that the Government will be purchasing still have significant underlying value. As time passes, they will likely go up in price. And this means that the Government should eventually be able to recoup much, if not all, of the original expenditure.

This package will also increase the safety of Americans' personal finances. For 75 years, the FDIC has provided insurance for savings accounts, checking accounts, and certificates of deposit. A similar insurance program is in effect for deposits in credit unions. And since these programs were instituted, no one has ever lost a penny on an insured deposit. The rescue package expands this protection by temporarily increasing the amount insured by the Federal Government in banks and credit unions from $100,000 to $250,000. These steps should reassure Americans, especially small-business owners, that their money is safe, and it should restore confidence in the health of our banking system.

In addition to addressing the immediate needs of our financial system, this package will also help to spur America's long-term economic growth. This week, we learned that our Nation lost more jobs in September. Under these circumstances, it is essential for the Government to reduce the burdens on workers and business owners. And that is why the rescue package includes relief from the Alternative Minimum Tax, which would otherwise increase taxes for 26 million taxpayers by an average of $2,200. And that is why it includes tax relief for businesses, which can use these savings to hire new employees and finance new investment.

By taking all these steps, we can begin to put our economy on the road to recovery. While these efforts will be effective, they will also take time to implement. My administration will move as quickly as possible, but the benefits of this package will not all be felt immediately. The Federal Government will undertake this rescue plan at a careful and deliberate pace to ensure that your tax dollars are spent wisely.

I know many of you listening this morning are anxious about the state of our economy and what it means for your personal finances. I am confident that the implementation of this relief package can begin to address those concerns. I'm confident by getting our markets moving, we will help unleash the key to our continued economic success, the entrepreneurial spirit of the American people.

Thank you for listening.

NOTE: The address was recorded at 1:05 p.m. on October 3 in the Cabinet Room at the White House for broadcast at 10:06 a.m. on October 4. In his address, the President referred to H.R. 1424, approved October 3, which was assigned Public Law No. 110–343. The transcript was made available by the Office of the Press Secretary on October 3 but was embargoed for release until the broadcast. The Office of the Press Secretary also released a Spanish language transcript of this address.

Remarks to the White House Press Pool in Midland, Texas

October 4, 2008

It's an amazing experience to come back to a place where you were raised. Laura was raised in Midland; I was raised in Midland. I was—this is one of the three homes I lived in, and I kind of remember it. [*Laughter*] The bedroom—actually, I do remember the wood on the wall that—in the bedroom.

You know, I love Midland, and Texas. We've got a lot of friends here. I learned a lot of values that I hold dear here. It's good to see mom's—Laura's mom here. And it's the first time I've been back here since I've been the President, and it's—it was just a very heartwarming experience.

You know, I've told my friends here, I said, you know, I'm not going to change as a person because of politics of Washington—that's what I said when I left. And I think they appreciate that. I want them to know that, you know, even though I had to deal with a lot of tough issues, that I'm still the same person that they knew before and that, you know, I'm wiser, more experienced, but my heart and my values didn't change.

And so it's great to see our friends. You know, we got a couple more hard months to go, and, obviously, we've got to deal with this financial situation. Congress took a big step in the direction of at least giving us the tools necessary to bring some stability into the marketplace. Got to get credit flowing, of course, so that people feel comfortable about conducting business. And so it's—there's a lot of work to be done. But it's—in the meantime, it's good to come back here to where it all started for us.

Anyway, thank you all. You're welcome to pay the fee to go in and see the house. [*Laughter*]

NOTE: The President spoke at 1:30 p.m at the George W. Bush Childhood Home Presidential site.

Remarks to the White House Press Pool in San Antonio, Texas

October 6, 2008

It's nice to be here in San Antonio. I've just had a very illuminating conversation with small-business owners here. We have a car dealer, a automobile repair shop, a restauranteurs—two restauranteurs. And it's clear that these small-business owners are dealing with the effects of a credit crunch. And by that I mean that they're having trouble getting money to be able to continue to either expand their business or to be able to—money to help their consumers be able to buy their products. And it's—and I told them one of the reasons why, you know, I was so strongly for this rescue package was, inherent in the strategy of the rescue package is to free up credit, is to get money moving.

And it's going to take a while. I signed the bill on—last week, but it's going to take a while to get in place a program that, one, is effective; two, that doesn't waste taxpayers' money—we don't want to rush into this situation and not have the program be effective. It's going to take a while to restore confidence in the financial system. But one thing people can be certain of is that the bill I signed is a big step toward solving this problem.

A lot of people here in Texas and around the country are not pleased with the Government having to take the steps they took. Their question is, "I pay my bills, I pay my mortgage, why are you helping Wall Street?" And the answer is because had we not done anything, people like the folks behind me would be a lot worse off. We will make sure, as time goes on, this doesn't happen again. In the meantime, we got to solve the problem. And that's why people sent me to Washington, DC. When you see a problem, put a team together and solve it.