

Administration of Barack H. Obama, 2009

Remarks on the National Economy in Wakarusa, Indiana

August 5, 2009

The President. Thank you. Please, everybody, have a seat. Thank you so much. Well, it is wonderful to be in Wakarusa. Thank you so much for the wonderful welcome. Herman, thanks for the great introduction. It is great to be back in Indiana. This is as close as I've gotten to home in a while. [*Laughter*]

And I flew out here with somebody who I think the people of Indiana have known for a long time, have trusted for a long time because he's fighting for working families in Indiana each and every day, and that is our great Senator, Evan Bayh. Please give Evan a big round of applause.

And it's nice to get out of Washington and spend some time with people who actually sent me to Washington. Too often, there are those in Washington who focus on the ups and downs of politics. But my concern is the ups and downs in the lives of the American people: the families feeling the pain of this recession; the folks I've met across this country who've lost jobs and savings and health insurance, but haven't lost hope; the men and women who still believe in the capacity, the ability of this Nation to meet the challenges of our times.

Now, these are challenges you know all too well here in Wakarusa and in Elkhart County. This area has been hit with a perfect storm of economic troubles. Over the last few decades, you've borne the brunt of a steadily weakening of American manufacturing in the face of global competition. You've felt the impact of the struggles of the American auto industry and the repercussions that have hit the Midwest especially hard. And you're living every day with the consequences of this recession and the financial meltdown, and you've felt it in the form of lost jobs and lost savings.

So as a result, the Elkhart area has experienced the second greatest increase in the rate of unemployment in the country, up 10 points in a year. It's an astonishing statistic. And there have been times where nearly one in five people in this area have been looking for work. You've seen factories close and your sons and daughters move away in searches of jobs and opportunity. So this is more than an economic crisis. This goes to the heart and soul of a community. It tests the strength of families and the spirit of good people, hard-working folks who've given their all to a company and now don't know where to turn.

There are some who see what's taking place here and suggest that it's all somehow inevitable, and that the only way for America to get ahead is for places like Elkhart to be left behind. You hear that argument sometime in Washington. But I know and you know that the truth is exactly the opposite. I'm here because I believe our ability to recover, and to prosper as a nation, depends on what happens in communities just like this one.

The battle for America's future will be fought and won in places like Elkhart and Detroit and Goshen and Pittsburgh, South Bend, Youngstown, in cities and towns across Indiana and across the Midwest and across the country that have been the backbone of America. It will be won by making places like Elkhart what they once were and can be again, and that's centers of innovation and entrepreneurship and ingenuity and opportunity, the bustling, whirring, humming engines of American prosperity.

For as the world grows more competitive, we can't afford to run the race at half-strength or half-speed. If we hope to lead this century like we did the last century, we have to create the conditions and the opportunities for places like Elkhart to succeed. We have to harness the potential, the innovative and creative spirit that's waiting to be awakened all across America. That's how we'll rebuild this economy stronger than before: strong enough to compete in the global economy; strong enough to avoid the cycles of boom and bust that have wreaked on—so much havoc on our economy; strong enough to support the jobs of the 21st century; and strong enough to unleash prosperity for everybody, not just some.

But before we can rebuild our economy for tomorrow, we have to rescue it today. Now, that's why we passed a Recovery Act less than 1 month after I took office, and we did so without any of the earmarks or porkbarrel spending that's so common in Washington, DC. And let me just talk about the so-called stimulus package, or the Recovery Act, because there's been a lot of misinformation out there about the Recovery Act. Let me tell you what it is and what it's not.

The plan was divided into three parts. One-third of the money has gone to tax relief for families and small businesses. One-third of the money is cutting people's taxes. For Americans struggling to pay rising bills with shrinking wages, we kept a campaign promise to put a middle class tax cut in the pockets of 95 percent of working families, a tax cut that began showing up in paychecks of 4.8 million Indiana households about 3 months ago. We also cut taxes for small businesses on the investments that they make. And more than 425 small businesses in Indiana have received SBA loans through the recovery package. So that's—one-third of the money was tax cuts.

Another third of the money in the Recovery Act has been for emergency relief that is helping folks who've borne the brunt of this recession. For Americans who were laid off, we expanded unemployment benefits, and that's already made a difference for 12 million Americans, including 220,000 folks right here in Indiana. We're making health insurance 65 percent cheaper for families relying on COBRA while looking for work. Some of you know people who lost their jobs, were worried about losing their health care, couldn't afford COBRA. We were able to reduce their costs by 65 percent so they could keep their health care while they were looking for jobs.

And for States facing historic budget shortfalls, we provided assistance that has saved the jobs of tens of thousands of teachers and public—and police officers and other public servants so that you wouldn't see the recession get even worse. So that's the second half. First half: tax relief; second half: support for individuals, small businesses, and States that had fallen on hard times.

The last third of the Recovery Act—and that's what we're going to talk about here today—is for investments that are not only putting people back to work in the short term but laying a new foundation for growth and prosperity in the long run. These are the jobs of building the future of America, upgrading our roads and our bridges, renovating schools and hospitals. The Elkhart area has seen the benefits: Dozens were employed to resurface the runway at Elkhart Airport; a 4-mile stretch of highway is being upgraded on US-33; the Heart City Health Center has received recovery dollars to expand services and hire additional staff.

And as part of the recovery plan, we're making a historic commitment to innovation. The Recovery Act creates jobs doubling our capacity to generate renewable energy, building a new smart grid that carry electricity from coast to coast, laying down broadband lines and high-speed rail lines, and providing the largest boost in basic research in history to ensure that

America leads in the breakthrough discoveries of the new century, just as we led in the last. Because that's what we do best in America, we turn ideas into inventions and inventions into industries.

Now, history should be our guide. The United States led the world's economies in the 20th century because we led the world in innovation. Today, the competition is keener, the challenge is tougher, and that's why innovation is more important than ever. That's the key to good, new jobs in the 21st century. That's how we will ensure a high quality of life for this generation and future generations. With these investments, we're planting the seeds of progress for our country and good-paying, private sector jobs for the American people.

So that's why I'm here today, to announce \$2.4 billion in highly competitive grants to develop the next generation of fuel-efficient cars and trucks powered by the next generation of battery technologies all made right here in the U.S. of A. Right here in America; made in America.

For too long, we failed to invest in this kind of innovative work, even as countries like China and Japan were racing ahead. And that's why this announcement is so important. This represents the largest investment in this kind of technology in American history.

See, I'm committed to a strategy that ensures America leads in the design and the deployment of the next generation of clean-energy vehicles. This is not just an investment to produce vehicles today; this is an investment in our capacity to develop new technologies tomorrow. This is about creating the infrastructure of innovation.

Indiana is the second largest recipient of grant funding, and it's a perfect example of what this will mean. You've got Purdue University, Notre Dame, Indiana University, and Ivy Tech, and they're all going to be receiving grant funding to develop degree and training programs for electric vehicles. That's number one. We've got EnerDel, a small business in Indianapolis that will develop batteries for hybrid and electric vehicles. You've got Allison Transmission in Indianapolis, Delphi in Kokomo, Remy in Pendleton, and Magna located in Muncie, all who will help develop electric-drive components for commercial and passenger vehicles.

And right here in Elkhart County, Navistar—which has taken over two Monaco Coach manufacturing facilities—will receive a \$39 million grant to build 400 advanced battery electric trucks with a range of a hundred miles, like the trucks here today—right there. Just a few months ago, folks thought that these factories might be closed for good. But now they're coming back to life.

Audience member. Thank you!

The President. You're welcome. [*Laughter*] Thank the American people.

The company estimates that this investment will help create or save hundreds of jobs in the area. And already, folks like Herman are being rehired. So, overall, the companies believe these investments in battery technology will save or create thousands of Hoosier jobs. And I want to point out, these thousands of jobs wouldn't be possible if it weren't for the leaders in Congress who supported the Recovery Act, leaders like Evan Bayh and Joe Donnelly, who's here today, and Andre Carson and Brad Ellsworth and Peter Visclosky.

And these grants will create tens of thousands of jobs all across America. In fact, today Vice President Biden is announcing grant winners in Michigan. Members of my Cabinet are fanning out across the country announcing recipients elsewhere. We're providing the

incentives to those businesses, large and small, that stand ready to help us lead a new clean energy economy by developing new technologies for new kinds of vehicles.

See, I don't want to just reduce our dependence on foreign oil and then end up being dependent on their foreign innovations. I don't want to have to import a hybrid car; I want to be able to build a hybrid car here. I don't want to have to import a hybrid truck; I want to build a hybrid truck here. I don't want to have to import a windmill from someplace else; I want to build a windmill right here in Indiana. I want the cars of the future and the technologies that power them to be developed and deployed right here, in America.

And that's just the beginning. In no area will innovation be more important than in the development of new ways to produce, use, and save energy. So we're not only doubling our capacity to generate renewable energy and building a stronger and smarter electric grid, we've helped reach an agreement to raise fuel economy standards. And for the first time in history, we passed a bill to create a system of clean energy incentives, which will help make renewable energy the profitable kind of energy in America, while helping to end our dependence on foreign oil and protect our planet for future generations.

The bill passed the House; we're now working to pass legislation through the Senate. Because we know that real innovation depends not on government, but on the generative potential of the American people. If the American people get a clear set of rules, if they know what's needed, what challenges we've got to meet, they'll figure out how to do it.

In fact, that's why our budget makes the research and experimentation tax credit permanent, the R&D tax credit. This is a tax credit that helps companies afford what are sometimes very high costs in developing new ideas and new technologies and new products, and that means new jobs. This tax credit returns \$2 to the economy for every \$1 we spend. And for a long time we were just trying to renew it once every year, and companies didn't know whether or not they were going to be able to get it for the next year. That's changed. We've now made it permanent.

I've also proposed reducing to zero the capital gains tax for investments in small or startup businesses, because small businesses are innovative businesses; small businesses produce 13 times more patents per employee than large companies.

Of course, in order to lead in the global economy and ensure that our businesses can grow and innovate, we also have to pass health insurance reform that brings down costs and provides more security for folks who have insurance and affordable options for those who don't. I promise you: We will pass reform by the end of this year because the American people need it. The American people need some relief. Now, it's going—we're going to have to make it happen.

In fact, the recovery plan began the process of reform by modernizing our health care infrastructure. We took some long-overdue steps of computerizing America's health records, which can reduce all the waste and errors that cost billions of dollars and thousands of lives, while protecting patients' privacy. It's important also to know that these records hold the potential of offering patients the chance to be more active participants in the prevention and treatment of illnesses. You won't have to fill out the same form a dozen times. You won't have to rely on your memory when talking to your doctor about your medical history. All those things make people healthier, but they also reduce your costs, lower your premiums, give you more security in your health care.

Now, in addition to energy and in addition to health care, we also know that the nation that outeducates us today will outcompete us tomorrow. So we're making a historic commitment to strengthening and improving education, from cradle through career. Right now, our schools continue to trail many of our competitors. And that's why I've challenged States to dramatically improve achievement by raising standards and modernizing science labs, upgrading curriculum, forming new partnerships to promote math and science, and improving the use of technology in the classroom.

And I've set this goal: In the next decade, by 2020, America will once again have the highest proportion of college graduates in the world. We used to be number one. We will be number one again when it comes to college graduates.

Now, to reach this goal, we've provided tax credits and grants to make college education more affordable, and we've made a historic commitment to community colleges, which are the unsung heroes in America's education system. America can and must have the best educated, highest skilled workforce in the world, because if we're building new cars here in America, if we're building a new clean energy grid in America, then we're also going to need to build engineers in America and scientists in America and skilled technicians right here in America, so all these pieces end up fitting together.

Energy and innovation, health care and education, these are the pillars of the new foundation that we have to build. This is how we won't just rescue the economy, but we're going to rebuild it stronger than before.

Now, there are a lot of people out there who are looking to defend the status quo. There are those who want to seek political advantage. They want to oppose these efforts. Some of them caused the problems that we got now in the first place, and then suddenly, they're blaming other folks for it. They don't want to be constructive. They don't want to be constructive; they just want to get in the usual political fights back and forth. And sometimes that's fed by all the cable chatter on the media.

But you and I know the truth. We know that even in the hardest times, against the toughest odds, we have never surrendered. We don't give up. We don't surrender our fates to chance. We have always endured. We have worked hard, and we have fought for our future. Our parents had to fight for their future; our grandparents had to fight for their future. That's the tradition of America. This country wasn't built just by griping and complaining; it was built by hard work and taking risks. And that's what we have to do today.

So I know these are tough times. If you haven't lost a job, you know somebody who has, maybe a family member, a neighbor, a friend. You know that as difficult as the financial struggle can be, the sense of loss when you lose your job is about more than just a paycheck. We as Americans, we define ourselves by the work we do. It's a source of pride, a sense that you're contributing, that you're supporting your family, that you're doing the right thing, that you're responsible. And the truth is, it can be easy to lose hope, especially when you see a lot of folks out there who failed to meet their responsibilities, from Wall Street to Washington. It can be easy to grow cynical when you see politicians say one thing and then do another, or say one thing and then do nothing; when you've seen decades of broken promises and broken politics.

But this is a rare moment in which we're called upon to rise above the failures of the past. This is a chance to restore that spirit of optimism and opportunity which has always been central to our success. We've got to set our sights higher, not lower. We've got to imagine a future in which new American cars are powered by new American innovation; a future in

which cities that led the global economy before are leading it again; a brighter future for Elkhart, a brighter future for Indiana, and for the United States of America.

That's what we're fighting for. That's what this plant's about. That's what you're about. That's what we're going to achieve in the weeks and months to come. So thank you very much, everybody. God bless you. God bless the United States of America. Thank you.

NOTE: The President spoke at 11:55 a.m. at Monaco RV. In his remarks, he referred to Herman Wiley, employee, Monaco RV, who introduced the President.

Categories: Addresses and Remarks : Economy, national :: Wakarusa, IN.

Locations: Wakarusa, IN.

Names: Bayh, Evan; Biden, Joseph R., Jr.; Carson, Andre; Donnelly, Joe; Ellsworth, Brad; Visclosky, Peter; Wiley, Herman.

Subjects: Budget, Federal : Fiscal year 2010 budget; Business and industry : Automobile industry :: Decline; Business and industry : Automobile industry :: Strengthening efforts; Business and industry : Global competitiveness; Business and industry : Manufacturing industry :: Decline; Business and industry : Small and minority businesses; Economy, national : American Recovery and Reinvestment Act of 2009; Economy, national : Recession, effects; Economy, national : Strengthening efforts; Education : American Graduation Initiative, proposed; Education : Global competitiveness; Education : Postsecondary education :: Community colleges; Education : Postsecondary education :: Tax credits, expansion; Education : School improvement and renovation; Education : Science and math programs; Education : Standards and school accountability; Education : Technology and innovation, expansion efforts; Employment and unemployment : Job creation and growth; Employment and unemployment : Unemployment insurance; Energy : Alternative and renewable sources and technologies; Energy : Alternative energy products and technologies, U.S. production; Energy : Foreign sources; Energy : Fuel efficiency standards, strengthening efforts; Energy : Infrastructure and grid improvements; Energy, Department of : Hybrid automobile technology, competitive grant program; Environment : Climate change; Health and medical care : Cost control reforms; Health and medical care : Health insurance, protection of coverage; Health and medical care : Information technology; Health and medical care : Insurance coverage and access to providers; Indiana : Economic recession, effects; Indiana : Hybrid and electric automobile industry; Indiana : President's visits; Indiana : Unemployment rate; Legislation, proposed : "American Clean Energy and Security Act of 2009"; Science and technology : Broadband technology; Science and technology : Research and development; Small Business Administration : Loan guarantee facility; Taxation : Capital gains tax, proposed reduction; Taxation : Research and experimentation tax credit; Taxation : Tax relief; Transportation : High-speed rail lines, development and expansion; Transportation : Highway system, modernization efforts; White House Office : Vice President.

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