

rebuild our crumbling roads, bridges and levees and dams, so that the tragedies of New Orleans and Minneapolis never happen again.

It includes immediate tax relief for our struggling middle class in places like Ohio, where 4.5 million workers will receive a tax cut of up to \$1,000. It protects health insurance and provides unemployment insurance for those who've lost their jobs. And it helps our States and communities avoid painful tax hikes or layoffs for our teachers, nurses, and first responders.

That's what is at stake with this plan: putting Americans back to work, creating transformative economic change, and making a down payment on the American Dream that serves

our children and our children's children for generations to come.

Americans across this country are struggling, and they are watching to see if we're equal to the task before us. Let's show them that we are. And let's do whatever it takes to keep the promise of America alive in our time.

Thank you.

NOTE: The address was recorded at approximately 1:30 p.m. on February 6 in the Map Room at the White House for broadcast on February 7. The transcript was made available by the Office of the Press Secretary on February 6 but was embargoed for release until 6 a.m. on February 7.

Remarks on Economic Stabilization and a Question-and-Answer Session in Elkhart, Indiana *February 9, 2009*

The President. Thank you. Thank you so much. Well listen, everybody can have a seat. Make yourselves comfortable, we're going to be here a while.

It is good to be back in Elkhart, and it's good to be back in Indiana. You know, the last event we had on the campaign was Indiana. And the first time that I'm traveling outside of the White House to talk about the economy is back in Indiana.

And I want to start by thanking Ed for coming here today and sharing his family's story with all of us. Ed was terrific; give him a big round of applause.

There are a few other special guests that I just want to acknowledge very quickly. First of all, your own Senator, my former colleague, a outstanding legislator and public servant, former Governor here in Indiana; give it up for Senator Evan Bayh. Where is he? Where is Evan? There he is.

A guy you may be familiar with, your own Member of Congress, Joe Donnelly. We brought a few other Members of Congress here to get in on the fun: Representative Baron Hill; Representative Brad Ellsworth; Representative Fred Upton; Representative André Carson; former Representative Tim Roemer;

former Representative Lee Hamilton. We've got Mayor Dick Moore of Elkhart. And we've got the new Secretary of Transportation, a former Member of Congress from my own home State of Illinois, Ray LaHood.

I don't know if you guys have been noticing, but we've had a little debate in Washington—[laughter]—over the last week or two about the economy. And, you know, we tend to take the measure of the economic crisis we face in numbers and statistics. But when we say that we've lost 3.6 million jobs since this recession began, nearly 600,000 in the past month alone; when we say that this area has lost jobs faster than anywhere else in the United States of America, with an unemployment rate of over 15 percent, when it was 4.7 percent just last year; when we talk about layoffs at companies like Monaco Coach and Keystone RV and Pilgrim International, companies that have sustained this community for years, we're not just talking numbers, we're talking about Ed. We're talking about people in the audience here today—people not just in Elkhart, but all across this country. We're talking about people who have lost their livelihood and don't know what will take its place.

We're talking about parents who've lost their health care and lie awake at night, praying their kids don't get sick. We're talking about families who've lost the home that was the corner—their foundation for their American Dream. Young people who put that college acceptance letter back in the envelope because they just can't afford it. That's what those numbers and statistics mean. That is the true measure of this economic crisis.

Those are the stories I heard when I came to Elkhart 6 months ago, and those are the stories that I carried with me to the White House. I have not forgotten them. And I promised you back then that if elected I'd do everything I could to help this community recover, and that's why I came back today, because I intend to keep my promise.

I intend to keep my promise. But you know, the work is going to be hard. I don't want to lie to people—that's why we're having a town hall meeting—because the situation we face could not be more serious. We have inherited an economic crisis as deep and as dire as any since the Great Depression.

Economists from across the spectrum have warned that if we don't act immediately, millions of more jobs will be lost. The national unemployment rates will approach double digits, not just here in Elkhart, all across the country. More people will lose their homes and their health care. And our Nation will sink into a crisis that at some point we may be unable to reverse.

So we can't afford to wait. We can't wait and see and hope for the best. We can't posture and bicker and resort to the same failed ideas that got us into this mess in the first place. That was what this election was all about. The American people rejected those ideas because they hadn't worked. You didn't send us to Washington because you were hoping for more of the same; you sent us there to change things; the expectation that we would act quickly and boldly to carry out change. And that's exactly what I intend to do as President of the United States of America.

That's why I put forth a recovery and reinvestment plan that is now before Congress. At its core is a very simple idea: to put Americans

back to work doing the work America needs to be done. Ed said it better than anybody could. He said, look, folks in Elkhart, they want to work. Nobody is looking for a handout. Everybody just wants to be able to get a job that supports a family. And we've got the most productive workers on Earth. We've got the best workers right here in Elkhart, who are willing to put hard time and do whatever it takes to make sure a company succeeds. But they've got to have a chance.

The plan that we put forward will save or create 3 to 4 million jobs over the next 2 years. But not just any jobs, jobs that meet the needs we've neglected for far too long, jobs that lay the groundwork for long-term economic growth; jobs fixing our schools and computerizing medical records to save costs and save lives; jobs repairing our roads and our bridges and our levees; jobs investing in renewable energy to help us move towards energy independence.

And the plan also calls for immediate tax relief for 95 percent of American workers, so that you who are being pinched, even if you still have a job, with rising costs while your wages and incomes are flatlined, you'll actually have a little bit of extra money at the end of the month to buy the necessities for you and your children.

Now, I know that some of you might be thinking: "Well, all that sounds good, but when are we going to see any of this here in Elkhart? What does all this mean to my family, to my community?" And those are exactly the kinds of questions you should be asking your President and your Government. And today I want to provide some answers, and I want to be as specific as I can.

Number one, this plan will provide for extended unemployment insurance, health care, and—[applause]—other assistance for workers and families who have lost their jobs in this recession. So if you've lost your job, for example, under existing law you can get COBRA. Some of you have heard of COBRA, but the only problem is, it's so expensive, it doesn't do you any good. So what we've said is we will help subsidize people so that they can keep—at least keep their health insurance while they're out there looking for a new job.

This plan will also—and what this means is, from the perspective of unemployment insurance, you will have an additional \$100 per month in unemployment benefits that will go to more than 450,000 Indiana workers, extended unemployment benefits for another 89,000 folks who've been laid off and can't find work, and job training assistance to help more than 51,000 people here get back on their feet.

Now, that's not just our moral responsibility to lend a helping hand to our fellow Americans at a time of emergency, it makes good economic sense. If you don't have money, you can't spend it. And if you don't spend it, our economy will continue to decline.

Now, for that same reason, the plan includes badly needed tax relief for middle class workers and families, folks all across the country under siege. We need to give you more of the money you've earned so that you can spend it and pay your bills. Under our plan, families—working families will get a thousand dollars, providing relief for nearly 2.5 million workers and their families here in Indiana. The plan also will provide a partially refundable \$2,500 per student tax credit to help 76,000 Hoosier families send their kids to college. This will benefit your household budgets in the short run, and it will benefit America in the long run.

But providing tax relief and college assistance and helping folks who have lost their jobs, that's not enough. A real recovery plan helps create more jobs and put people back to work. And that's why between the investments our plan makes, and the tax relief for small business it provides, we'll create or save nearly 80,000 badly needed jobs for Indiana right here over the next couple of years.

Now, you may have heard some of the critics of our plan say it would create mostly government jobs. That is not true. Ninety percent—more than 90 percent of the jobs created under this recovery act will be in the private sector; more than 90 percent. But it's not just the jobs that will benefit Indiana and the rest of America, it's the work people will be doing, rebuilding our roads, our bridges, our dams, our levees; roads like U.S. 31 here in Indiana—that Hoosiers can count on—that con-

nects small towns and rural communities to opportunities for economic growth. And I know that a new overpass downtown would make a big difference for businesses and families right here in Elkhart.

We'll also put people to work rebuilding our schools. This school is a terrific school, but I know there's work to be done here. We should do it so that all our children can have the world-class classrooms—the labs, the libraries—that we—they need in order to compete in today's global economy.

We should be investing in clean alternative sources of energy. We should be investing in the electric grid we need to transport this new energy from coast to coast. So if you build a windmill here in Indiana and it generates energy, that energy can get to Chicago and can get to St. Louis and can get to other places all across the country.

We can help make Indiana an energy-producing State, not just an energy-consuming State. The plan calls for weatherizing homes across Indiana; installing state-of-the-art equipment that help you control your energy costs; building new, high-speed broadband lines; reaching schools and small businesses in rural Indiana so they can connect and compete with their counterparts in any city of any country in the world.

Those are the kinds of projects that we're looking at, that put people to work, that allow us to train people for jobs that pay a living wage, and that end up being a gift that keeps on giving, because not only are we creating jobs now, but we're creating the infrastructure for the jobs of the future.

Now, let me be clear: I'm not going to tell you that this bill is perfect. It's coming out of Washington, it's going through Congress—[laughter]—you know. Look, it's not perfect, but it is the right size, it is the right scope. Broadly speaking, it has the right priorities to create jobs that will jump-start our economy and transform this economy for the 21st century.

I can't tell you with a hundred percent certainty that every single item in this plan will work exactly as we hoped. But what I can tell you is, I can say with complete confidence that

endless delay or paralysis in Washington in the face of this crisis will only bring deepening disaster. I can tell you that doing nothing is not an option.

So we've had a good debate. Now it's time to act. That's why I'm calling on Congress to pass this bill immediately. Folks here in Elkhart and all across America need help right now. They can't afford to keep waiting for folks in Washington to get this done.

Even with this plan, the road ahead won't be easy. This crisis has been a long time in the making. We're not going to turn it around overnight. Recovery will likely be measured in years, not weeks or months. But we also know that our economy will be stronger for generations to come if we commit ourselves to the work that needs to be done—commit ourselves today to the work that needs to be done.

And being here in Elkhart, I am more confident than ever that we will get where we need to be, because I know people are struggling, but I also know that folks here are good workers and good neighbors, who step up, who help each other out, who make sacrifices when times are tough. I know that all folks here are asking for is a chance to work hard and to have that work translate into a decent life for you and your family. So I know you're going to be doing your part. I think it's about time that Government did its part too. That's what this recovery plan is all about. That's why I hope it passes as soon as possible, so we can start creating jobs and helping families, and turning our economy around.

Thank you, Elkhart. Thank you.

Thank you. All right. Thank you. All right, we're going to take questions. All right, I just want to make sure my mike is working here. Here's the deal on questions: First of all, we didn't screen anybody. So there's some people who like me in the audience, some people who don't. Some people agree with me, some people who don't. It doesn't matter. We want to take questions from everybody.

Here's the only thing I've got to ask, though. I would ask that everybody raise their hand—not right now. People who had a question, raise your hand. We're going to try to call on people, I'm going to try to go around the

room. We may not get to every single question, so don't be mad at me. We've got a lot of people here. We've got about 35 minutes—40 minutes, so I'm going to try to get as many questions as possible, which means try to keep your question relatively succinct, and I will try to keep my answer relatively succinct. We've got young people in the audience who have microphones, so wait until the microphone gets to you. And if you could introduce yourself, that will be helpful. And the last thing I'm going to do is I'm going to go girl, boy, girl, boy, so that nobody gets mad at me.

All right. This young lady right here, she's number one, right here.

Economic Stabilization Legislation

Q. Thank you. And, President Obama, we welcome you to Elkhart with our whole heart.

The President. Thank you.

Q. You are just—we are so grateful that you've come here today.

The President. Thank you.

Q. My question to you is, sir, when you allocate the money for Elkhart, Indiana, will it come directly into Elkhart? Or where—is it going to have to go around somewhere else?

The President. Well, first of all, what's your name?

Q. My name is Helen Castillo.

The President. Okay, thank you, Helen. It's a good question. Look, we've got to get the bill passed. But we also have to make sure that the money is well spent, which means we're doing some things that are unprecedented to make sure that the money gets out quickly, but it gets out wisely.

We're going to set up an independent board made up of Democrats and Republicans to review how the money is being spent, because we've got to make sure that it's not being wasted on somebody's special project that may not actually create help for people. So that's point number one.

Point number two is we're actually going to set up something called *recovery.gov*. This is going to be a special website that we set up that gives you a report on where the money is going in your community, how it's being spent, how many jobs it's being created, so that all of you

can be the eyes and ears. And if you see that a project is not working the way it's supposed to, you'll be able to get on that website and say, "You know, I thought this was supposed to be going to school construction, but I haven't noticed any changes being made." And that will help us track how this money is being spent.

Now, in terms of how it's being utilized and who it's going to, it's probably going to depend on different aspects of the plan. Some of the plan will go to the State government because, for example—well, let me give you an example. Unemployment insurance is run through the State, not run through a city, and so that part of the plan will be going through the State.

There are going to be other projects having to do with transportation, for example, in which we may be working directly with local municipalities and communities as well as the State government to make sure that the project is well planned. And that's why we've got Secretary LaHood here, because he's going to be working with the local communities.

The same is true on education funding. We may be working directly with the school superintendent, who I know is here, to figure out where are the schools that are in most need of help and where we can right away get some construction going and get some improvements going. So it'll probably depend on what stream of money we're talking about, but the key is we're going to have strong oversight and strong transparency to make sure that this money is well spent.

And listen, I know that there are a lot of folks out there who have been saying, "Oh, this is pork and this is money that's going to be wasted and et cetera, et cetera." Understand: This bill does not have a single earmark in it, which is unprecedented for a bill of this size—does not have a single earmark in it.

So we may debate—we can debate, you know, whether you'd rather have this tax cut versus that tax cut, or this project versus that project. Be clear, though, that there aren't a—there aren't individual pork projects that Members of Congress are putting into this bill. Regardless of what the critics say, there are no earmarks in this bill. That's part of the change

that we're bringing to Washington, is making sure that this money is well spent to actually create jobs right here in Elkhart.

All right? Okay.

Gentleman up there, all the way at the top. You, that's right. [Laughter] But hold on a second. Let's get a mike to him. All right.

Tax Breaks/Bank Lending

Q. Thank you. I also want to just be very thrilled to be in the presence of you because we've been looking for a change. We are truly tired of the economics that we have been getting that has got us into the position that we're in. That theory has been a trickle down. We need to trickle up.

So I would hope in your philosophy of trying to kick-start the economy that the money gets directly to the people who are—have homes that are foreclosed, the people that have lost jobs. To try to give to a bank and give a low interest rate, and the person whose home has been foreclosed on don't have a job, don't help anybody. It's a sale that nobody can take advantage of because you ain't got no money.

So I would hope and I pray that you would support the people who got you into the office—we, the people, not the fat cat—[laughter]—we, the people—to where that the money gets directly into the hands of the people who are hurting, to where that we don't have to worry about going to the State, going to the Federal Government, standing in line somewhere. Send that check to our mailbox. [Applause] Amen, amen.

The President. Let me respond—

Q. So we can take it to the bank and pay that mortgage. Thank you.

The President. Let me—can everybody hear me? Hold on a second. Testing, testing. How's that? All right.

Well, let me respond in a couple of ways. Number one, when it comes to tax cuts, you are exactly right that instead of providing tax cuts to the wealthiest Americans, what I've been pushing in this plan is to make sure that the tax cuts goes to working families. That is not only good for those families, it's actually good for the economy, because when you give

a tax break to working families who are struggling, they will spend it on buying a new coat for the kids, or making sure that they get that car repaired that they use to get to work.

When you give it to the wealthier families, they just put it away somewhere, and so it doesn't circulate in the economy. So tax cuts targeted to working families are the most effective means of stimulus that we can provide to the economy.

Now, you're making another point, though, that has to do with a separate part of what we're going to need to get this economy moving again, and that has to do with the financial system and the banking system. And I just want to be clear that the Recovery and Reinvestment Act that is before Congress right now is just one leg in the stool of recovery.

The other thing that we've got to get done is we've got to get the banks stable and lending again. Part of what's happened in terms of the RV industry, for example—I was talking to Congressman Donnelly about this—is basically people who want to buy an RV can't get financing right now even if they've got good credit. So what we're going to be trying to do is to set up a whole new mechanism for helping people get consumer credit. We're going to help small businesses and medium-sized businesses get credit. And instead of just pumping that money directly into Wall Street, we're going to make sure that a lot of that money is going directly to consumers, and the money that does go into Wall Street is going to come with some strings attached.

You cannot expect taxpayers to bail out banks that have made bad decisions when they are then using that money to give themselves huge bonuses.

So one of the things that we've said is, look, we understand that the banking system is fragile right now and even though those folks made bad decisions, it could bring down the entire economy, and affects towns like Elkhart, so we're going to do something strengthen the banking system. But, you know, you are not going to be able to give out these big bonuses until you've paid taxpayers back. You can't get corporate jets. You can't go take a trip to Las Vegas or go down to the Super Bowl on the taxpayers'

dime. There's got to be some accountability and some responsibility, and that's something that I intend to impose as President of the United States.

All right. Young lady right here, right here in the striped sweater.

The President's Cabinet Nominees/Government Ethics

Q. Thank you. My question is, you have—my name is Tara. You have come to our county and asked us to trust you, but those that you have appointed to your Cabinet are not trustworthy and can't handle their own budget and taxes.

Audience members. Boo!

The President. No, no, no, this is a legitimate—this is a legitimate question.

Q. So I'm one of those that thinks you need to have a beer with Sean Hannity. So tell me why, from my side, we can understand—

Audience members. Boo!

The President. No, that's okay. That's okay. No, no, look, I think it was a perfectly legitimate question.

First of all, I appoint—I've appointed hundreds of people, all of whom are outstanding Americans who are doing a great job. There are a couple who had problems before they came into my administration in terms of their taxes. Look—and I think this is a legitimate criticism that people have made, because you can't expect one set of folks to not pay their taxes when everybody else is paying theirs. So I think that's a legitimate concern.

I will tell you that the individuals at issue here, I know them personally, and I think these were honest mistakes. And I made sure they were honest mistakes beforehand. And one of the things I've discovered is, if you're not going to appoint anybody whose ever made a mistake in your life, then you're not going to have anybody taking your jobs. So—[applause].

But having said that, what I did acknowledge, and I said it publicly on just about every TV station, is something that you probably sometimes don't hear from politicians, which is: I made a mistake. And that, because I don't want to send the signal that they're two sets of rules.

Now, understand, though, I think something that should also be mentioned is that we've set

up an unprecedented set of ethics rules in my White House where we are not—everybody will acknowledge that we have set up the highest standard ever for lobbyists not working in the administration; people who work in my administration aren't going to be able to go out the revolving door and start working for some lobbying firm and lobbying the White House. Republicans and Democrats have acknowledged that this is a very high bar that we've set for ourselves. We have not been perfect, but we are changing the culture in Washington and it's going to take some time.

Now, with respect to Sean Hannity, I didn't know that he had invited me for a beer. [Laughter] But I will take that under advisement. [Laughter] Generally, his opinion of me does not seem to be very high—[laughter]—but I'm always good for a beer, so—[laughter].

All right. Well, let me get this side of the room and then I'll come back in. I want to make sure I'm not looking too biased on one side here. That gentleman right up there in the corner there—you, yes.

Alternative Fuel Sources/Health Care

Q. Thank you, President Obama. It's—like everybody else has said, it's an honor to be here. I'm—my name is Jason Ward and I'm a local attorney here in town, but I've seen a lot of the effects that the manufacturing industry has had here. And there's been a lot of discussion with respect to green jobs and environmental issues—

The President. Right.

Q. —and this area has been one of the areas that's been mentioned about maybe retooling to take advantage of the green revolution. And I guess the question is, with respect to the stimulus bill, is—are there provisions in there that address green job issues, improvement of environmental issues, and those type of matters?

The President. Absolutely. It's a great question, and let me describe for you just some of the things that we have in there. Under this plan, we would double the production of alternative energy—double it from where it is right now. So that's point number one.

Point number two, there is money allocated in this plan to develop the new battery technologies that will allow not just cars but potentially RVs as well to be—to move into the next generation of plug-in hybrids that get much better gas mileage, that will wean ourselves off dependence on Middle Eastern oil, and will improve our environment and lessen the potential effects of greenhouse gases and climate change.

We also have put in money that provide for the weatherization of millions of homes across the country. Now, this is an example of where you get a multiplier effect. If you allocate money to weatherize homes, the homeowner gets the benefit of lower energy bills. You right away put people back to work, many of whom in the construction industry and in the housing industry are out of work right now; they are immediately put to work doing something. You can train young people as apprentices to start getting training at—in home construction through weatherization. And you start reducing energy costs for the Nation as a whole. So there are billions of dollars in this plan allocated for moving us towards a new energy future.

Now, I'll be honest with you, some of the critics of the plan have said that's pork. I don't understand their criticism. Their basic argument is, "Well, that's—you're trying to make policy instead of just doing short-term stimulus." Well, my whole attitude is, if we're going to spend billions of dollars to create jobs anyway, then why wouldn't we want to create jobs in things like clean energy that create a better economic future for us over the long term? That just—that's common sense to me. That's common sense to me.

And that is especially important for the Midwest, because if you think about it, the auto industry, RV industry, transportation industry is so important to us here in the Midwest. If we don't use this crisis as an opportunity to start retooling, then we will never catch up and be able to compete effectively against Japanese automakers, Korean automakers, and we will find ourselves continuing to slide. This should be an opportunity for us to retool.

And so I am going to make this a big priority over the next few days as we're trying to

reconcile the House and the Senate bill, getting folks in Congress to understand that this is one of the best possible investments that we can make.

Let me give you another example of long-term investments that are in this plan. I've been criticized because I suggested that as part of this plan we should improve information technology in the health care system. Now, here's the reason that I want to do it. Not only will it immediately create jobs in the health care industry, as well as in information technologies—people who are programmers, people who are information systems specialists—but it will also put everybody's medical records in a computerized form that will reduce medical errors and cut down the cost of health care over the long term.

One of our biggest problems is that health care costs keep on going up even when everything else is going down. You know that in your own lives. The average family premium has doubled over the last 8 years, even though your wages and your incomes haven't doubled.

If we keep on going down that path, health care is going to gobble up everything. So what I've said is, look, if we're going to be spending money anyway creating jobs, why not create jobs getting these medical records set up in a way that drives down health care costs over the long term. Some of my critics have said that's social policy, that's not stimulus. Look, doesn't it make sense, if we're going to spend this money, to solve some big problems that have been around for decades? That's what we're trying to do. That's what's in this package, and that's why I hope Congress supports it.

All right. It's a young lady's turn. This young lady right here. Hold on one second, let's get a mike to you so everybody can hear you. We got a mike?

Housing Market

Q. I'm Jackie Whittaker from South Bend, and I work as a foreclosure intervention counselor. And there's a bill pending that's—indicates that they're trying to get the authority for judges to go in and then they'd change and help mortgages. Do you think that is something that will pass?

The President. Let me talk to you about the housing foreclosure issue, because this was raised by this gentleman as well. We have to give homeowners some help and some relief.

You've got home foreclosures that have gone up astronomically during this recession, during this downturn. It is both a cause and effect of the downturn. If we don't do anything about stabilizing the housing market, it is going to be much more difficult for us to recover.

So we are going to be unveiling a series of plans to help not only homeowners who are at the brink of foreclosure, but there are a lot of homeowners who are making their mortgage payments every day, but they've seen the value of their homes decline so badly that now their mortgage is more than the value of their home, which means that even when interest rates are low, it's very hard to refinance your home to take advantage of those low rates because a bank will say, "Well, you actually owe more than the home is worth." So we're going to be doing a lot of work on this.

Now, one potential provision that has been discussed that I'm supportive of, but is not in this package—it will be on a separate package—is the idea that right now, if you have a second home or a third home or a fourth or a fifth home—[laughter]—and you go bankrupt, then the judge can modify the terms of your mortgage on your second, third, fourth, fifth home. So if you're worth \$100 billion, you bought all these houses, and suddenly you went bankrupt, you would still be able to protect your second, third, fourth, fifth home.

But if you are like most people, including me, and you got one house—[applause]—keep in mind, the house I'm in, in DC, I'm just borrowing that, that's the people's house. So I'm just—I'm a guest in Washington, in the people's house. My house is on the south side of Chicago, that I own. But if you just have one house, it turns out that under current law you can't modify that mortgage if you are in bankruptcy. And if you just can't make the payments, the judge is not authorized to modify that loan so that let's say, the banks have to take a little bit less, but you are still making some payments. Now that makes no sense. What that's doing is, it's forcing a lot of people into foreclosure who potentially

would be better off, and the bank would be better off and the community would be better off, if they're at least making some payments, but they're not able to make all the payments necessary.

So this is a piece of legislation that I strongly support. We're going to try to make that part of our housing package so that—remember I said, this recovery package and reinvestment package is just one leg of the stool. We've got to deal with the credit crisis; we've got to deal with housing. There are a whole bunch of other steps that we're going to have to take, and this is one of them.

All right. The gentleman right back here in the tie, here, yes.

Alternative Fuel Sources/Renewable Energy

Q. Thank you, President Obama. I'm Bill Keith from SunRise Solar. I manufacture a solar-powered attic fan right here in Indiana. And—[applause]—believe me, a lot of people encouraged me to go to China years ago to manufacture my products so I could live a little higher on the hog, and I decided to keep my friends and neighbors employed and make it right here.

The President. That's right. Excellent.

Q. And I wanted you to know that we've got people in this row—Eric, Laura, Terry, Denise, Jesse Carbonda up in the balcony, and Gary Freimiller—and these are people who are running green companies right now that are employing American people on our soil and keeping jobs here.

What we need is a little more friendly environment from the utility companies, so if I want to put a solar system on my house, I can get more than 9 cents on the dollar for the electric I feed back into it.

The President. Yes.

Q. Some legislation like that would be helpful. And what my stance has been is, if the Federal Government mandates that the utility companies have to produce at least so much renewable energy, then all of our rates are going to go up.

So I've been trying to encourage my own State to be more proactive and adopt a renewable energy standard, renewable electric stan-

dard on their own. What do you see in the pipeline for companies like mine? Because it's hard—I don't get any tax—you know, those of you out there that think that the prior administration or someone gave us some kind of benefits for being a green company here—there are none. I mean, there's no real incentive for us to do what we're doing, so we're doing it out of passion right now. So we appreciate all that you're saying about renewables.

The President. Good. Well, let me—three things that we can do, just very specific and we can do them quickly, and then there's a fourth thing that we can do that will take a little bit more time.

Number one is that we need to pass a renewable energy standard. And what that does is, just for people who aren't sort of experts in the field, it's pretty simple. What it says is—to the various utilities, it says, you need to get 15 percent or 20 percent of your energy from renewable sources. And once you set that benchmark, then what happens is, is that people who are producing renewable energy—solar or wind or hydrothermal—what they're able to do then is count on a pretty solid market that they're going to be able to sell their energy to. And that means investors, then, will say, "You know what, this is actually a pretty good thing for us to invest in." And it—over time what that means is, is that more and more people invest in renewable energy, which means that technology gets better, the research and development improves, and you start growing that sector. So a renewable energy standard is very important. That's point number one.

Point number two is we should be providing tax credits and loan guarantees to renewable energy. There are some in place currently that have—are on the verge of lapsing, and we have to act much more forcefully in terms of making sure that those are in place. That's the second thing.

The third thing that we should be doing is working with utilities all across America, including here in Indiana, to do what some utilities are already doing in California. And this is a really smart thing. What they do is, the utility is able to make money not just on how much

energy it sells, but it's also able to make money on how much energy its customers save.

So you can structure how they charge your electricity bill so that if you started installing a solar panel, that you would actually, as you point out, be able to sell some of that energy back when you're not using it. You get to put some money in your pocket, and the utilities are rewarded for encouraging you to do that. Right now they don't have enough incentive to do it because they're making money the more energy you use, whereas what we want to do is make—give them incentives so that they are constantly telling you how you can save energy.

The fourth thing, and this is the thing that's going to take a little bit longer, is we've got to improve basic science, research, and development. When it comes to solar, when it comes to wind, the price has gone down, but generally speaking, it's still a little more expensive than fossil fuels: coal, natural gas, and so forth. So we've got to improve the technology, and that's why I want to make sure that we're investing some money every year in the development of new energy technologies that will drive those costs down over the long term.

The country that figures out how to make cheaper energy that's also clean, that country is going to win the economic competition of the future. And I want that to be the United States of America. That's one of my commitments as President of the United States.

All right, this part of the room has been kind of neglected here. Let's get that young lady right there. Yes.

Job Creation/Education

Q. Thank you, Mr. President. My name is Erin Mendoza, and I kind of had a question that went along with the gentleman over there. What are you going to do about enticing companies to stay here in the United States once we have them? A lot of local companies have gone overseas since I was born—sorry. And the economy here in Elkhart was at a high, and it is going down because companies are enticed to leave. So like the gentleman said, they can live higher on the hog.

The President. Well, look, I believe that the United States has the most productive workers.

We've got the best universities and colleges. We've got the most dynamic, risk-taking economy and innovative economy of any in the world. So we can compete against anybody.

But we've got some problems both in terms of our failure to invest in what's going to keep us competitive; we under-invest when it comes to energy—we just talked about. Our health care system is broken, and that's a huge cost. A lot of employers who want to stay here find it very difficult to deal with the rising cost of health care for their employees. So fixing health care will actually make us more competitive.

We've got a Tax Code that is too often skewed to encourage companies to move overseas. We still have laws on the books that give tax breaks to companies that are shipping jobs overseas. And I think it's important for us to give tax breaks to companies that are investing right here in Elkhart, and right here in the United States of America.

Now, having said all that, the single most important factor I think in whether or not companies are going to continue to locate here in Elkhart and around the country is, what are we doing about education. Because the quality of the work force is probably what most companies are going to pay the most attention to over time. There are going to be some companies that just ship jobs overseas, because it's low value-added work. And they don't need skilled labor. And if you don't need skilled labor to make certain things, then you're just going to find the cheapest place. And we're never going to be able to compete against a country like Bangladesh when it comes to low-wage work.

But what we should be looking for is how do we encourage high-wage, high-value work. And there the key is going to be how well we are training our work force. That's why in this recovery and reinvestment package, we put billions of dollars not only to make sure that school districts who are getting hammered are able to keep their teachers, but also we have money in the package to make sure that we are retraining our teachers around math and science, so that they are able to provide our young people what they need to compete in this new global economy. We have money to make—create new labs, so that we have got science labs and the latest

Internet connections into our schools so that they are part of this modern economy; we have money to revamp our community colleges, which are a tremendous bridge for people who maybe need more training to get these new jobs of the future.

Now, I'll be honest with you, the Senate version cut a lot of these education dollars. I would like to see some of it restored. And over the next few days, as we are having these conversations, we should talk about how we can make sure that we're investing in education, because that's what's going to keep companies investing right here in the United States over the long term. All right?

Now, there's a young man right in front of you here who's—yes, you. *[Laughter]* In fact, I just received a note that this is the last question.

Audience members. Aww!

The President. Oh, don't be mad at me. *[Laughter]* I would love to stay here for a long time, but I've got to go back to Washington and convince everybody to get moving on this package.

Education

The President. And this is a good place to end, with our future here. What's your name?

Q. My name is James.

The President. James, how old are you?

Q. I'm 9 years old.

The President. Okay, fantastic. What's your question?

Q. What are you going to do to help our schools?

The President. Well, you know, I just started talking about that. *[Laughter]* So, James, as I

said, I think that we've got to rebuild our schools to make sure that they're state of the art. We also have to make sure that we are training new teachers and retraining some of the existing teachers so that they've got the best possible skills.

We also are going to have to reform how we do business in some of the schools. I think it's very important for us to have high standards. I think we've got to do a better job, though, of assessing performance in schools. No Child Left Behind needs to be reworked in a more effective way.

But the last thing that we need in schools—do in schools has nothing to do with money. It has everything to do with parents. Because we can put as much money as we want into schools—if parents don't have an attitude that says, I'm going to make sure my child does my homework; that I'm meeting with the teacher to find out what's going on; if all of us aren't instilling a sense of excellence in our kids, then they're not going to be able to compete. And that means young people like you, you're going to have to work a little harder. *[Laughter]*

Yes. Thank you, James.

All right, everybody. God bless you. God bless America.

NOTE: The President spoke at 12:09 p.m. at Concord Community High School. In his remarks, he referred to Ed Neufeldt, former employee, Monaco Coach Corporation, who introduced the President; George Dyer, superintendent, Concord Community Schools; and Sean Hannity, host of FOX News Channel's "Hannity" program.

The President's News Conference February 9, 2009

The President. Good evening, everybody. Please be seated.

Before I take your questions tonight, I'd like to speak briefly about the state of our economy and why I believe we need to put this recovery plan in motion as soon as possible.

I took a trip to Elkhart, Indiana today. Elkhart is a place that has lost jobs faster than anywhere else in America. In 1 year, the unemployment rate went from 4.7 percent to 15.3 percent. Companies that have sustained this community for years are shedding jobs at