

tions isn't just a task for our advisory board or for the Department of Education, it's a job for the entire Federal Government. And I expect all agencies to support this mission.

Now, none of this is going to be easy. I know—I'm sure you know that. As leaders of these institutions, you are up against enormous challenges, especially during an economic crisis like the one that we are going through. But we all have to try. We have to try. We have to remain determined. We have to persevere.

That's what the first founders of HBCUs did. They knew that even if they succeeded, that inequality would persist for a very, very long time. They knew that the barriers in our laws, the barriers in our hearts would not vanish overnight. But they also recognized a larger and distinctly American truth, and that is that the right education might one day allow us to overcome barriers, to let every child fulfill their God-given potential. They recognized, as Frederick Douglass once put it, that education means emancipation. And they recognized that education is how

America and its people might fulfill our promise.

That's what helped them get through some very difficult times. It's what kept them fighting and trying and reaching for that better day, even though they might not be able to live to see that better day. That's the kind of commitment that we're going to need today from everybody here at the White House, from all of you at your respective institutions.

We are extraordinarily proud of what you've done. But we've got a lot more work to do. And I just want everybody here to understand that you've got a partner in me and you've got a partner in the Department of Education and you've got a department with everybody here at the White House who's absolutely committed to making sure that you can succeed in your mission.

So thank you very much, everybody. God bless you. Thank you.

NOTE: The President spoke at 10:36 a.m. in the Grand Foyer at the White House.

## Remarks and a Question-and-Answer Session in Fairfax, Virginia September 13, 2010

*The President.* Thank you so much, all of you, for being here, and I want to say a special thanks to John and Nicole. Trevor and Olivia are back there.

*Nicole Armstrong.* They're going to turn the A/C unit off for you.

*The President.* Yes, exactly. That's all right. But I'm so grateful for their hospitality. They are just a wonderful family, and for them to open up their backyard for us is just terrific. So we really—

[At this point, the President was handed a microphone.]

*The President.* Oh, I've got a mike. So thank you to the entire family for opening up, and thanks to all of you for taking the time to be here. Because I want to—I was telling John and Nicole that a lot of times, when you're in Washington, you're busy, you've got a lot of stuff to

do, and you're in a bubble when you're President. And sometimes, you just don't have the opportunity to have the kinds of interactions that I used to have even when I was a Senator.

And so these kinds of formats are terrific for me. And my hope is, is that despite all these people who are here with cameras and microphones and all that stuff, that people won't be shy, because the whole point of this is for me to hear directly from you and to answer your questions, hear about your concerns, hear about your hopes, and hopefully, that will translate itself into some of the things that we're doing at the White House.

I obviously want to make some introductions that—I think all of you know that you've got some Members of Congress who are working very hard here in Northern Virginia, and I want to acknowledge them. First of all, Congressman Jim Moran, who's been doing great work for a very long time. Congressman Gerry Connolly

has been doing terrific work here locally and now on Capitol Hill. We've got Sharon Bulova, who is the chairwoman of the Fairfax County Board of Commissioners.

And we've also got a couple of small-business owners, because one of the things I want to talk about is how we can grow the economy and get people back to work, and so who better to hear from than a couple of small-business owners. Don't worry, I'm not going to call on you, but I'm just glad you're here.

First of all, we've got Cherrelle Hurt, who is the owner of As We Grow Learning Center. Hey, Cherrelle. Thanks for being here. And Larry Poltavtsev—did I say that right, Larry?—who is the CEO of Target Labs, Inc. And so we're glad that you guys could join us.

Now, I'm only going to say a few things at the top. And I want to talk a little bit about why I decided to run for President in the first place, back in 2007, 2008.

Having served as a State senator, having then served as a United States Senator, I had had a chance to see how economic policies were having an effect on working class families and middle class families for a long time. And my wife and I, we came out of hard-working families who didn't have a lot, but because the economy was growing, because there was an emphasis on what was good for the middle class, we were able to get a great education, we were able to get scholarships. Michelle's dad worked as a blue-collar worker, but just on that one salary he was able to provide for his family and make sure that they always had enough and the kids had opportunities.

And what it seemed like was, for about a decade there, middle class families were losing more and more ground. And some of that had to do with changes in the global economy and greater competition from around the world. But a lot of it had to do with the policies that had been put in place, which really boiled down to cutting taxes, especially for millionaires and billionaires; cutting regulations that made consumers and workers more vulnerable; failing to make investments that were so critical in growing our middle class over the long term.

And so when I ran for President, my goal was to make sure that we get a set of economic policies in place that would lay the foundation for long-term growth in the 21st century so that the 21st century would be an American century, just like the 20th century had been.

And that's what we've tried to do over the last 19 months, in the midst of the worst financial crisis that we've seen since the Great Depression. The first thing we had to do was just stop the bleeding, stabilize the financial system, and make sure we didn't trip into a Great Depression. And we have done that.

So when I was sworn in on that very cold day in January—some of you may remember—we lost 750,000 jobs in that month alone. Now we've seen 8 consecutive months of private sector job growth because of the policies we've put in place.

We were on the verge of financial meltdown. Anybody who was involved in business at that time remembers banks were not lending at all. You couldn't even get an auto loan or a consumer loan. And now the financial systems have stabilized, although they're not completely where we need them to be. The economy was shrinking at a pace of—an astounding pace of about 6 percent annually. And now the economy has been growing.

So we stopped the bleeding, stabilized the economy, but the fact of the matter is, is that the pace of improvement has not been where it needs to be. And the hole that we had dug ourselves in was enormous. I mean, we lost 4 million jobs in the last 6 months of 2008, when I was still running. We lost 4 million jobs. And all told, we've lost 8 million jobs. And so even though we've grown jobs this year, we haven't been able to yet make up for those 8 million jobs that had been lost. And that's an enormous challenge.

Now, the second part of the challenge, though, is to make sure that even as we're digging ourselves out of this hole, we start making some better decisions so that long term we don't find ourselves in this circumstance again and we start creating the kind of economy that's working for middle class families.

So a couple of things that we did on that front. We cut taxes for middle class families, because we understand that people's incomes and wages have not gone up, have not kept pace with increases in health care, increases in college, and so forth.

The second thing that we felt was very important was to start creating some rules of the road again. So in financial services, for example, we passed a financial regulatory bill that makes sure that we're not going to have taxpayer bailouts, makes sure that banks have to operate a little bit more responsibly and take less risks with the money that they're investing. And we also made sure that consumers are treated more fairly, because part of what happened in this financial crisis was people were getting mortgages that they didn't understand. Suddenly, the bottom fell out of the housing market, and banks found themselves in a crisis situation.

So what we've said is, let's make sure that consumers know exactly the kinds of mortgages they're getting. Let's make sure that they can't be steered into these balloon-type payments where there's no chance that over the long term they're going to be able to make their payments.

Let's make sure that credit card companies have to notify you if they're going to increase your interest rates. And let's make sure that they can't increase your interest rates on your existing balances, only on future balances, so that they're not tricking you into suddenly paying exorbitant fees and putting you in the hole over the long term.

Gerry likes that one. [*Laughter*]

So we set up a bunch of rules both in the financial services area, in the housing sector, and in health care. And I know that a lot of people here heard a lot about the health care bill. One of the most important things that that was about was making sure that insurance companies treated you fairly. So if you've got health insurance, companies are not going to be able to drop you from coverage when you get sick, which is part of what had been happening. They couldn't deny you insurance because of a preexisting condition or if your child had a preexisting condition, which obviously makes families enormously vulnerable.

So a set of rules of the road for how companies interact with consumers, how they interact with workers.

And then the final thing that we've tried to do to lay this foundation for long-term economic growth is to put our investments in those things that are really going to make us more competitive over the long term. So we have made the largest investment in research and development, in basic research and science, in our history, because that's going to determine whether we can compete with China and India and Germany over the long term. Are we inventing stuff here that we can then export overseas?

We're making investments in our infrastructure, because we can't have a second-class infrastructure and expect to have a first-class economy. Just an interesting statistic over the last decade: China spends about 9 percent of its gross domestic product on infrastructure. Europe spends about 5 percent. We've been spending 2 percent. And that's part of the reason why we no longer have the best airports, we no longer have the best rail systems, we don't have the best broadband service. South Korea has better broadband service and wireless service than we do. And over time, that adds up. It makes us less competitive. So what we've said is, we've got to make investments in infrastructure.

A third area: education. A generation ago, we had the highest proportion of college graduates of any country in the world. We now rank 11th or 12th in the proportion of college graduates. Well, we can't win in an information society, in a global, technologically wired economy, unless we're winning that battle to make sure our kids can compete.

So what we've said is, we're going to put more money into higher education and through K through 12, but here's the catch: The money is only going to those communities that are serious about reforming their education system so they work well. Because it's—education is not just a matter of putting more money into it. You also have to make sure that we've got the best teachers, that we've got accountability, that the way we're designing our schools help our kids actually succeed over the long term, especially

in areas of math and science, where we're lagging even further behind than we were a generation ago.

So those are the things that we've been trying to do over the last 19 months. Now, as I said before, the economy is growing, but it's not growing as fast as we would like. So over the last week, I've put forward a few more things that I think can really make a difference.

Number one, instead of giving tax breaks to companies that are investing overseas, which our Tax Code does right now, what I've said is, let's close those tax loopholes, and let's provide tax breaks to companies that are investing in research and development here in the United States. That's a smart thing to do. We want to incentivize businesses who actually are making profits right now to say, we should go ahead and take a chance, and let's invest in that next new thing.

Second is—what I've proposed is, is that we allow companies to write off essentially their new investments early if they make those investments here in 2011, so essentially accelerating the depreciation that they can take on their taxes to encourage them to front-load making investments now.

The third thing that we've proposed—and this is actually pending right now in the Senate, the United States Senate, because Gerry and Jim have already voted on it—is a small-business package that would eliminate capital gains taxes for small businesses, would help small businesses obtain loans. It is a commonsense bill that traditionally would have garnered a lot of bipartisan support, but we're in the political silly season right now so it's been blocked up by the Senate Republicans for the last month and a half, 2 months.

Small businesses are still having trouble getting loans. And what we want to do, even though we've already given them eight different tax breaks, is we want to say we're going to give you just a little bit more incentive, because if we can get small businesses growing and investing and opening their doors and hiring new workers, that's probably going to be the area where we can make the most progress over the next

year in terms of accelerating employment and reducing the unemployment rate.

So these are all steps that we're taking right now to try to move the economy forward. Now, I have never been more confident about the future of our economy, if we stay on track and we deal with some of these longstanding problems that we hadn't dealt with for decades.

If we make investments and improve our education system; if we make investments in research and development; if we make investments in things like clean energy so that we've got an energy policy that's not just tied to importing oil from the Middle East, but instead start figuring out how can we develop our homegrown industries; if we have a tax system that is fair and helps the middle class and that also attends to our long-term deficit problems; if we regulate, but not with a heavy hand, just regulate enough to make sure that we don't have a collapse of the financial system and consumers aren't taken advantage of and health insurance companies are responsive to ordinary families—if we do those things, there's no reason why we can't succeed.

And I've traveled all around the world, and I've looked at all the economic data. If you had a choice of which country you'd want to be, you still want to be the United States of America. We still have a huge competitive edge, and we've got the best workers in the world. And we've got the most dynamic economy in the world. We've got the best universities, the best entrepreneurs in the world.

But we've got to tackle these longstanding problems that have been getting in the way of progress, and we've got to do it now. We can't wait another 20 years or another 30 years, because other countries are catching up. That's what we've been trying to do over the last 2 years.

Now, some of these things, I got to admit, are hard. They cause great consternation. When we tried to get some commonsense rules in the financial sector, for example, that means billions of dollars that were going to profits to some of the banks are not going to be going there because you're getting a better deal on your credit card, and they're not happy about it. So that

ends up creating a lot of drama on Capitol Hill. And it means that we've had some very contentious debates.

But I just want to close by saying this. Ultimately, when I get out of Washington and I start talking to families like yours, what I'm struck by is not how divided the country is, but I'm actually struck by how basically people have common values, common concerns, and common hopes. They want to be able to find a job that pays a decent wage; give their family, and their children in particular, a bright future; be able to retire with some dignity and respect; not get bankrupt when they get sick.

And that cuts across region, it cuts across racial lines, it cuts across religious or ethnic lines. People—there's a core set of American values that I think people across the country respond to.

And what I want to do is make sure that the Government is on the side of those values, of responsibility and hard work and thinking about future generations and not just thinking about the next election. And I think we've made progress, but we've got more progress to make.

So with that, I thank you all for being here. And what I want to do is, I just want to answer questions. And I know folks in the sun are hot, so I'm going to stand in the sun to make sure that you know that I feel—[laughter]—I feel your pain, as they—absolutely. I wouldn't mind having that hat, though. [Laughter] That's helpful. I should have thought ahead.

All right, anybody want to—John, go ahead. Yes. Here, hold on a second. I'll give you a mike, so—oh, we've got one.

### *Medical Research*

Q. Mr. President, thank you very much for coming. We really appreciate it. It's a great opportunity. I'm an engineer. And you talked a lot about R&D and infrastructure and every—I love every dollar spent on that, by definition. I'm also a paraplegic. And we—I have a great interest in stem cell research and how it gets furthered. And so how do we get this issue to be a scientific issue instead of a political issue?

*The President.* Well, John, as you know, I have been a huge supporter of stem cell re-

search for a very long time. When I came into office, we said that what's going to govern our decisionmaking here is sound science.

There are legitimate ethical issues involved in all this—the biotech industry—and those are going to continue as time goes on. I mean, there are some very tricky questions. And we've got to make sure that our values and our ethical standards are incorporated in everything we do. But we've also got to make sure that we're making decisions not based on ideology, but based on what the science is.

Now, the Executive order that I signed would say that we are not going to create embryos to destroy for scientific research. We're not going to do that.

On the other hand, when you've got a whole bunch of embryos that were created because families were trying to—couples were trying to start a family, and through in vitro fertilization, they're frozen in some canister somewhere and are going to be discarded anyway, then it makes sense for us to take those who—that are going to be destroyed and use them to advance our scientific knowledge to see if at some point we can start making huge progress on a whole set of issues.

Obviously, spinal cord injuries are an example, but Parkinson's disease, Alzheimer's disease, diabetes, juvenile diabetes. There's not a single family here who has not in some way been touched by a disease that could end up benefiting from the research that's done on stem cells.

Now, recently, a District Court judge said that not only—well, essentially said that our Executive order, he felt, went too far beyond what the guidelines that Congress had provided before I came into office. Although, the way he had written the order, it made it seem like even Bush's orders were out of line and that you have to stop stem cell research altogether.

We are appealing that. We're challenging it. And what we're going to keep on doing on a whole range of these decisions is to make sure that I'm talking to scientists and ethicists and others and try to build a commonsense consensus that allows us to make progress over the long term. Okay? Go ahead.

*Small-Business Loans/Job Growth Legislation*

Q. Mr. President, it's a privilege for me to be here. You talk about the small-business loans. My company is a high-tech company. And we are growing, and we are providing high-tech jobs for Americans. How can we ensure that banking and lending institutions are going to actually lend money to small businesses? There have been numbers of steps done in that way, but so far I've been denied a loan twice and only got the—for the third time after I asked for SBA-backed loan.

*The President.* Right. Tell me more about your business, by the way. I've actually read about it. But tell—people here, I think, would be interested, because you're working in—on clean energy issues and—

Q. This is correct, yes. I have two lines of business. Clean energy part, where we are actually trying to get companies to become green and change their practices so that they follow a sustainability practice as the regular ways, and the second part of my business is high tech. We are doing IT consulting and IT services for Federal Government and Fortune 500 companies.

*The President.* How many employees do you have right now?

Q. About 94.

*The President.* Ninety-four?

Q. Yes.

*The President.* Well, look, part of the answer is what you already spoke about, which is SBA, the Small Business Administration. We have doubled the number of small-business loans that we've been giving through the SBA. We've waived a lot of fees on those loans, because we knew that small businesses were getting harder hit than just about anybody during the financial crisis. They were the ones where the banks were pulling back the most. So we tried to fill that void as the banks were getting well, making sure the small businesses could keep their doors open.

But even by doubling the number of SBA loans, there's still not enough capital to meet all the demand for small businesses across the country.

That's why this bill that we're looking to pass this week out of the Senate, and that Gerry and Jim already voted for, is so important, because what it would do is it would take funding authorization to provide to community banks, who are most likely to give loans to small businesses, but it would say to those banks, you know what, we're going to hold you accountable for actually lending the money. So—because what we don't want to do is just help the banks boost their balance sheets, but they're never getting the money out of the door.

Over the long term, we think that there are going to be enormous opportunities for banks to make money with businesses like yours, because yours are the ones that grow. But they're still feeling gun shy because of what happened on Wall Street.

And in fairness to a lot of the community banks, they weren't the ones who were making big bets on derivatives, but they were punished nonetheless. They've been hit really hard in the housing market. They've been hit on their portfolios. They've been trying to strengthen their portfolios. But when we provide these loan guarantees through the SBA, or we provide cheaper money to them that they can then lend out, and as long as we're monitoring them to make sure that they actually lend those monies to small businesses, they're the ones that are most likely to get that money out the door.

This bill is very important. It has been held up now for a couple of months unnecessarily. There was an article in the USA Today just about 3 weeks ago that said small businesses were actually holding off on hiring because they weren't sure whether some of these tax cuts that they were going to get, as well as some of these lending facilities, would actually be set up.

And you hear some of my friends on the Republican side complaining that, well, we'd get more business investment if we had more certainty. Well, here's an example where we could give some certainty right away. Pass this bill. I will sign it into law the day after it's passed or the day it is passed. And then right away I think a lot of small businesses around the country will feel more comfortable about hiring and making investments.

Q. Well, this is what's happening right now is that, you know, I have contracts, and I am ready to hire 20 more people.

*The President.* Right.

Q. But nobody is going to give me additional loan right now. I mean, I had an off-the-record conversation with the vice president of one bank, and they said, it's simply we've made a decision not to loan to small businesses; it's simply more profitable to us to invest this money elsewhere.

*The President.* Well, that's why it's so important to make sure that if they are getting help from us in terms of having more money to lend, that they actually lend it out and they lend it to small businesses. And we've got to make a direct link between the help that they're getting and them actually lending the money. That's going to be critical.

All right, who's next? Yes, over here.

*Preserving U.S. Historic Sites and Natural Resources/Energy-Efficient Buildings*

Q. I'm John's sister Wendy.

*The President.* Hey, Wendy. How are you?

Q. I'm so honored and delighted to be here. Thank you.

*The President.* You must be John's younger sister.

Q. Yes, definitely, definitely. [Laughter]

*The President.* That's what I figured.

Q. No, he's my kid brother. And I actually am the stringer in from Boston with that hockey team you're meeting with this afternoon.

*The President.* There you go. Yes, I'm looking forward to congratulating them.

Q. I would tell you just a little story, which is, when I was in high school here at Woodson High School, I got involved in historic preservation. And I worked on an archeology dig. I researched the history of an old house. I helped move the one-room Legato schoolhouse from out in the country into town hall to restore it as a piece of our county's history. And that launched my lifelong career in historic preservation. And so I guess—and I know you are interested in history and have studied particularly, I think I've read, President Lincoln and the way he created a Cabinet and so on. So I know you

value our Nation's history. And I guess my question for you is, what are your thoughts about what we're doing in your administration to invest in preserving our Nation's history and our historic places?

And one little job-generating idea I'd give you is that all the studies show that renovating existing buildings, restoring historic buildings is more labor intensive than materials intensive. It creates more jobs. They're local jobs for local people. So I hope that might be part of your jobs strategy.

*The President.* Well, I am a huge booster of historic preservation. If I wasn't, Michelle would get on me, because she used to actually used to—in Chicago, used to be on the historic—on the landmark commission there. And we live in a landmark district in Chicago. So this is something that we care deeply about.

I guess I'd broaden the point to say that not only should we be thinking about historic preservation, but we should also be thinking about our national parks, our national forests. There's this treasure that we inherited from the previous generation, dating back to Teddy Roosevelt. And that requires us to continually renew that commitment to our historic structures and our natural resource base, so that when Trevor and Olivia and those guys have their kids, when you guys have your grandkids, that that stuff is there for them too.

So we have actually tried to ramp up our commitment to these issues. We've, where we can, put a little bit more money into it. But a lot of it's not just more money, it's also more planning. And the Recovery Act gave a range of grants to State and local governments in some cases around preservation issues.

Now, one point—one other point I want to make, though—and you were mentioning how renovation oftentimes will actually generate more jobs than new construction. A related idea is what we can do to make our existing buildings and housing stock more energy efficient, because it turns out that we could probably cut about a third of our total energy use just on efficiency. We wouldn't need new technologies. We wouldn't need to invent some fancy new fusion energy or anything. If we just took our

existing building stock in homes and insulated them, had new windows—schools, hospitals, a lot of big institutions—we could squeeze huge efficiencies out of that.

There's a lot of ways to be had, and that would benefit everybody. It would mean that over time, we were helping to save the planet by reducing our carbon footprint. People would be paying less on their electricity bills and their heating bills and their air-conditioning bills. So it helps consumers.

The problem—the reason we haven't done more of this is because it requires some capital on the front end. I mean, a lot of school districts, for example, would love to retrofit their schools, but they're having problems just keeping teachers on payroll right now, so they always put off those investments.

And one of the things that we tried to do through the Recovery Act, and something that I know that Gerry and Jim have been interested in, is something called Home Star that we've been working on, is to essentially provide families as well as small businesses as well as institutions like schools or hospitals grants up front, where we say, all right, we're going to give you \$10,000 to retrofit your building or your house. And then you're going to pay us back through your savings on utilities over a 5-year period, for example, so that over time, it doesn't cost taxpayers a lot of money, but we're essentially giving some money up front that's going to then be recouped.

And I think there are a lot of ideas that we can pursue on that front that could really make a difference and put a lot of people back to work, whether they're the folks selling the insulation at Home Depot or the small contractor that for a long time was remodeling kitchens or putting in home additions—maybe that business has dried up. This would be a new area for them to get put to work.

And about one out of four construction—one out of four jobs that have been lost during this recession are related to the construction industry in some fashion. Those folks have been hit harder than just about anybody else. This would be an important boost for them.

Q. If I could add to that just one thing, which is, it's really not necessary to replace the windows to get that energy efficiency. Didn't somebody write about the caulking gun?

*The President.* They—caulking is—

Q. It's a lot less expensive. [Laughter]

*The President.* Absolutely. Cash for caulkers. [Laughter] Good point.

All right, gentleman right there.

#### *Labor Unions/U.S. Business Competitiveness*

Q. Mr. President, my name is Mark Murphy. I'm a neighbor of John and Nicole. Welcome to our neighborhood.

*The President.* Thank you. It's a beautiful neighborhood.

Q. And before I say anything more, I'd be remiss, and my children would be not letting me back home, if I didn't say hi to you.

*The President.* What are their names?

Q. Andrew, Tim, and Ellie, and my beautiful wife Shannon.

*The President.* Tell everybody I said hi.

Q. Thank you. Now, the question I have for you is, I'm a union-side labor attorney in DC. And I know you have some background in that. And your comments here today and both—your Labor Day comments struck me and my colleagues about the shrinking middle class and those jobs that were lost and how you're going to and your administration is going to replace those jobs.

I work every day with working class, blue-collar workers; I deal with a lot of different issues. One of the issues that is dear to my heart and, I know, a lot of my colleagues and union members is the Employee Free Choice Act. And for people who don't know about that, it's just basically an act, a law that would make it easier to unionize. And it's proven that unions—unionized employees get better wages and better benefits. And unfortunately, that act hasn't been passed yet, and I just wanted to hear your thoughts on that. Thank you.

*The President.* Well, the—a little bit of background, for those who aren't as familiar with it. The Employee Free Choice Act is in response to 20, 30 years where it's become more and more difficult for unions to just get a fair elec-

tion and have their employers actually negotiate with them.

I mean, the laws that have been on the books have gotten more and more difficult to apply. A lot of times, companies who may be good employers, but just don't want the bother of having a union will work very hard to make sure a union doesn't develop. And they will drag out the process for a very long time, and in some cases, workers who are joining unions or want to join a union or are helping to organize one may get intimidated.

And so the idea behind the Employee Free Choice Act is, let's just make the playing field even. We don't have to force anybody to be in a union, but if they want to join a union, let's make it a little easier for them to go ahead and sign up.

Now, the answer—the short answer to your question is, we are very supportive of this. Frankly, we don't have 60 votes in the Senate. So the opportunity to actually get this passed right now is not real high. What we've done instead is try to do as much as we can administratively to make sure that it's easier for unions to operate and that they're not being placed at an unfair disadvantage.

Let me speak more broadly, though, about the point that you just made. So many things we take for granted came about because of the union movement. Minimum wage, 40-hour work week, child labor laws, you name it—weekends—a lot of these things came about because people were fighting for them. They didn't come about automatically and naturally.

The other thing that unions did, particularly in the manufacturing sector, was it gave a base for blue-collar workers to get a middle class wage, which meant that essentially the guys working at the Ford plant could afford to buy a Ford. And so it increased demand overall, and ironically, it meant that businesses had more customers and could make more money.

Now, we now live in an era of international competition. And that makes it harder for businesses. I mean, I think we should acknowledge that the business environment now is much more competitive than it was back in the 1960s or seventies. Technology has made it more diffi-

cult for businesses to compete. Transportation has made it more difficult to compete. The costs for shipping big, manufactured goods from China to the United States or high volumes of goods from Japan or Korea or Malaysia or Indonesia to the United States is a lot cheaper now than it was. So what that means is, we've got to be sympathetic to business concerns that they don't get priced out of the market if they're competing internationally.

And I think the best way to balance that is to make sure that business interests here in the United States and labor interests—workers' interests—here in the United States are aligned, make sure that businesses are looking after their workers and giving them a good deal. But workers and unions also have to think about businesses and not put them in a position where they're potentially priced out of the marketplace.

Now, I think that that balance is tilted way too far against unions these days. And I think that actually if we had some of these businesses with employees who were there for a longer term, were more loyal, they weren't worried about their jobs being shipped overseas, that that would actually be good for the economy as a whole and would be good for businesses here as a whole.

But we have to acknowledge that competition means that businesses and workers here in the United States have to be better trained, better skilled, more competitive, leaner, meaner. And we've got to invent more stuff so that we constantly are working on high-end jobs as opposed to the low-end jobs, because the truth is, the low-end jobs, we're never going to be able to compete on the basis of price. I mean, there's always going to be a country—actually, wages are starting to go up a little bit in China. Our problem is not China. The next is going to be Vietnam, or it's going to be Bangladesh or—there's always going to be someplace in the world where they pay lower wages.

Our advantage is going to be if we have higher skills, we have a workforce that works together more effectively, that our businesses are better organized—if we have that, then I think that we can compete against anybody.

And one of—a good example is actually Germany, which has a much higher rate of unionization than we do. But they've actually been able to continue to export at very high levels and compete all around the world, mainly because they've got such a highly skilled workforce; they're putting together high-end products that can compete with anybody.

Yes, right here. A mike is coming.

### *Education Jobs and State Funding Legislation*

Q. Hi, Mr. President. It's an honor. I'm so nervous.

*The President.* Don't be nervous.

Q. Oh, I am so nervous. I love everything you're doing. I love your vision. I'm so glad you got into office. I love medical—health care reform. Where I come from, where—when we had to go to the doctor, we went to the doctor. If we needed surgery, we got surgery. And then I came here and found out, oh, my gosh, you need insurance—you need this, you need that—which I could never afford on the salary I make now. I'm very lucky. My husband, unfortunately, he is in the construction business, but hopefully, that's going to come back.

So my question is also—I work for Fairfax County Public Schools, and I haven't had a raise in 2 years, and I may not even have a job next year, because I hear it's going to get worse before it's going to get better. Do you agree with that? Like, I mean, I know it's—we're starting to improve and jobs are starting to come back, but how long do you think this is going to take? It sounds wonderful.

*The President.* Well, first of all, you have a better chance of keeping your job in the public school systems now because Gerry and Jim voted to close a pretty egregious tax loophole that was incentivizing jobs going overseas and that even some corporations that stood to benefit thought was ridiculous. They closed that loophole in order to fund teacher jobs and police officer jobs and firefighter jobs all across the country. So that's been very helpful in providing assistance to school districts that are strapped.

The economy is improving. But one of the headwinds that the economy is experiencing is actually that State and local governments have

been getting really hard hit. Now, we gave States a lot of help at the beginning of this crisis because their budgets were just imploding. And typically, State and local governments, they get hit faster by declines in tax revenues and property tax. Obviously, they're relying on property taxes, and with the housing market collapsing, that was really hitting them hard. And so they were looking at possibly laying—slashing 30 percent of jobs in school districts or in social services.

And one of the most effective ways of preventing this from tipping over into a Great Depression was giving them help. The problem is, some of that help is running out. And property tax revenues haven't improved yet; sales tax revenues haven't improved yet as much as they'd like. So local districts, States are still having big budget problems, and they'll probably have those big budget problems next year.

Now the challenge we have is, ironically, that if you start laying off a whole bunch of teachers or a whole bunch of police officers or firefighters, now they don't have a job, which means they spend less, which means that there's less tax revenue. And you start getting into a vicious, downward spiral.

So that's why the steps that we took were so important. And I've got to say, this is an example of where you've just got a fundamental disagreement between Republican leadership right now and Democrats. John Boehner, who stands—wants to be the Speaker of the—the next Speaker of the House if the Republicans take over, he specifically said, well, these are just government jobs, and they're not worth saving. And he fought—he voted no on closing this tax loophole that was incentivizing jobs from going overseas.

Now, it's just not smart from an economic perspective for us to allow a whole bunch of those jobs that are right here in the United States to go away while we're giving tax revenue away to companies that are creating jobs somewhere else. It just doesn't make sense.

And so we're going to continue to have some of these battles over the next several years. And I think that, frankly, how State and local governments are able to deal with these budget chal-

lenges next year is in part going to depend on whether the people who are making the decisions are Jim and Gerry or whether they're John Boehner, because they've just got a different set of priorities. And I don't know about you, but I like these guys making these decisions more than the other folks. But that's just my unbiased opinion.

All right. Yes, go ahead.

### *Bipartisan Cooperation*

Q. Mr. President, thank you so much for visiting us here in Mantua. It's quite an honor.

*The President.* Thank you.

Q. I think my question is kind of a good segue on that. We do face—the political environment has changed a lot since you were elected. And I think with the upcoming midterm elections, you can certainly expect a lot of new faces in Congress, and certainly a lot of the new Representatives and Senators are going to have been elected on platforms that are really opposed to Government intervention in the economy. What's your plan for working with the new Congress to make sure we get the actions that are—you see are necessary to end the recession? And what do you see as really common ground with Republicans in Congress for some of the solutions that can bring the recession to an end?

*The President.* Well, let me just say that I don't believe in wholesale Government intervention in the economy. My starting point is, is that what makes us the wealthiest, most dynamic country on Earth is a free-market system where small-business owners are creating jobs, and what start off as small businesses like AOL end up being big businesses, and some kid at Harvard starts something called Facebook, and the next thing you know, it's revolutionized part of our economy. That's our strength.

So that's a starting point where Republicans and Democrats should be able to come together. We all believe in that.

But there are some fundamental differences. At the beginning of the crisis, for Government not to intervene when the financial system was on the verge of meltdown and we were shedding hundreds of thousands of jobs a month and

the credit markets had just frozen completely—for us not to intervene in that situation would have been simply irresponsible. And I don't know a economist, Democrat or Republican, who would suggest otherwise. It would have been simply irresponsible.

So that's—so some of these steps that we had to take had to do with emergency situations. A great example is the auto industry. When we decided to intervene—keep this in mind: We had been bailing out the auto industry for years under the previous administration. The difference was, we hadn't ever asked them anything in return. So they kept on with their bad practices, creating cars that, frankly, in this kind of energy environment, weren't the cars of the future. And they never changed their practices.

So what we said was, you know what, we're going to help you, but this time we're going to help you by also restructuring. And we're going to bring all the stakeholders together—the workers, management, shareholders—and we're going to say, if taxpayers are going to help you out, you've got to change how you do business. And they have. And they emerged from bankruptcy, and now you've got all three U.S. auto companies operating at a profit.

If we had not taken that step, we would have lost a million jobs in the auto industry. You would not have an auto—maybe Ford might have survived. GM and Chrysler definitely would not have. And the ripple effects on the economy would have been devastating.

So sometimes you make these decisions not because you believe in Government intervention, per se. You make these decisions because we've got a crisis, and we've got to respond.

Now, right now we've got a disagreement also on taxes. Jim, Gerry, the vast majority of Democrats think that because wages and incomes had flatlined for middle class families, which we define as less than \$250,000 a year, that they should definitely get an extension of the tax cuts that were instituted in 2001, 2003.

Now, keep in mind that if you make more than \$250,000 a year, you'd still get a tax cut. It's just you'd only get it up to your first \$250,000. So if you make half a million dollars a year, you'd still get tax relief on the first half of

your income. If you made a million, it would be the first quarter of your income. After that, you'd go back to the rates that were in place when Bill Clinton was President, which I just want to remind everybody, at that time we had 22 million jobs created, much faster income and wage growth; the economy was humming pretty good.

We could get that done this week. But we're still in this wrestling match with John Boehner and Mitch McConnell about the last 2 to 3 percent, where, on average, we'd be giving them \$100,000 for people making a million dollars or more, which in and of itself would be okay, except to do it, we'd have to borrow \$700 billion over the course of 10 years. And we just can't afford it.

Now, I wanted to lay out those differences before I talked about where I think we can work together. Where I think we have a great opportunity to work together is on the issue of our long-term debt.

Our big challenge right now is creating jobs and making sure the economy takes off. And the steps that we've been taking, including cutting taxes for small businesses, providing loans for small businesses, accelerating depreciation, those steps can encourage investment right now. They cost some money, but they're wise investments because right now our number-one focus has to be jobs, jobs, jobs, and encouraging business investment. But on the horizon, sort of in the middle term and the long term, we do have a very real problem with debt and deficits.

And I have to say that I understand a lot of people who are upset on the other side. And some of them were rallying in DC today—or yesterday. I do understand people's legitimate fears about are we hocking our future to—because we're borrowing so much to finance debt and deficits. I understand that. They saw the Recovery Act. They saw TARP. They saw the auto bailout. They look at this and—God, all these huge numbers adding up. So they're right to be concerned about that.

And I think that there's an opportunity for Democrats and Republicans to come together and to say, what are the tough decisions we've got to make right now that won't squash the re-

covery, won't lead to huge numbers of teacher layoffs—short term we don't want to constrict too much early, but how can we get ourselves on a trajectory where midterm and long term we're starting to bring our debt and deficits slowly under control?

Now, I set up a bipartisan fiscal commission that's designed to start coming up with answers. And they're supposed to report back to me right after the election. That was on purpose, by the way. We said, don't give us the answer before the election because nobody will have an honest conversation about it, everybody will posture politically. But as soon as the election is over, report to us, and let's see if Democrats and Republicans can come together to make some tough decisions. And by the way, they are going to be some tough decisions.

People, I think, have a sense that somehow if we just eliminated a few pork projects and foreign aid, that somehow we would solve our debt. The big problem with our debt is actually the costs of Medicare and Medicaid. Our health care system is by far the thing that is exploding faster than anything. And as the population gets older and it's using more health care services, if we don't get control of that, we can't control our long-term debt. That's why health care reform was so important, because we're trying to rationalize and make the system smarter, but that's only one piece of it. We've also got to look at everything from defense budgets to food stamps. You name it, we've got to look at it and see are there ways that we can reduce our costs over the long term.

But we can't give away \$700 billion to folks who don't need it and think somehow that we're going to balance our budget. It's not going to happen. That's one area where I think we can make progress.

A second area where I hope we can still make progress is on energy. Everybody agrees our energy policy doesn't make sense. We don't have an energy policy. We've talked about it since Richard Nixon. Remember OPEC, '73, and oil lines at the gas station? And every President has said this is a national security issue, this is a crisis, we've got to do something about it. But we don't do anything about it.

So my suggestion is, let's both do—let's join hands, Democrats and Republicans, and go ahead and take the leap and try to solve this problem. And there's not a silver bullet, there's not one magic solution to our energy problems. We're going to have to use a bunch of different strategies.

I already mentioned efficiency. That has to be a huge push. With respect to transportation sector, one of the things that we did without legislation—nobody has really noticed this, but this was huge—we increased fuel efficiency standards on cars for the first time in 30 years—cars and trucks. And we got the car companies and auto workers to agree to it, not just environmentalists. That's going to help.

We've got to look at nuclear energy. Historically, a lot of environmentalists have said, oh, we don't like nuclear energy. There are real problems with storage, et cetera. But if we're concerned about global warming and greenhouse gases, nuclear energy is a legitimate fuel—energy source that the Japanese and the French have been using much more intelligently than we have. We've got huge reservoirs of natural gas that are relatively clean, but we've got to use those in an environmentally sound way. We've got to develop those in an environmentally sound way. So that's an area where I think that we can still, hopefully, make some progress.

And the last thing I'll say—and some people disagree with me on this. They think it's too incendiary, it's too politically difficult, et cetera. I think we need to reform our immigration system, and we should be able to find a way that secures our borders and provides people who are already here a pathway so that they are out of the shadows. They're paying a fine. They're learning English. They're getting assimilated, but they're not living in fear. We should be able to do that.

And we had 11 Republican Senators who voted for it, including John McCain was a cosponsor of the bill. We should be able to get that done again, because everybody agrees that the system we've got right now is broken.

And one last thing I wanted to mention is actually education. The reason I didn't mention it up front is this has been one of the few areas

where I've actually gotten some compliments from Republicans. I think the strategy that we have right now, which is to maintain high standards, work with States in a smart way to develop a—curriculums, teacher-training strategies, to boost our higher education—institutions of higher education, that's an area where we should all agree. Because it's indisputable that if we are working smarter, if our kids are better trained, then we will succeed. And if they're not, it doesn't really matter what else we do. Over time, we're going to decline.

All right, I've got time for one more question. I'm going to call on this young lady right here.

#### *National Economy*

*Q.* I'm really nervous. Thank you, Mr. President, for being here. There's a lot of people sending you a lot of good energy, one being my 82-year-old aunt. She wanted me to make sure I told her—told you that.

*The President.* Tell her I said hi.

*Q.* Okay. I'm a massage therapist, and I'm—

*The President.* I've got a crick in my neck right here. [Laughter]

*Q.* Yes, I bet you do.

*The President.* A lot of tension has been building up. [Laughter]

*Q.* Do you get regular massage? [Laughter]

*The President.* Go ahead, go ahead.

*Q.* One prevailing theme that comes here in my practice is fear. And on an energetic level, what I would like to see you institute or get started, bipartisan, is to alleviate people's fears of spending \$5. I know this is like—it sounds so basic. But if we go out there and spend a little bit, it's going to come back around. It works. I mean, you've got a program here where you've got—you're giving a tax break to those companies that hire the returning vets.

*The President.* Right.

*Q.* You have a \$2,400 tax break.

*The President.* Right.

*Q.* Well, who are those companies? I would patronize a company that's making the effort of going out and hiring these people. I mean, you've got to spend it to get it back.

*The President.* Well, the—look—

Q. And there's just this prevailing fear all the time, and it doesn't have—it comes down to \$5, \$10, whatever, you got to put it out there, and it will start the momentum going.

*The President.* Right.

Q. It would also be some good news.

*The President.* Well, look, I think you are absolutely right that some of this is psychology. Look, the country went through a huge trauma. The body politic is like an individual in the sense that if they go through a really bad accident and you're in a cast and got a little whipped and bruised and battered, it takes some time to recover. And that's what happened to our economy. We went through a really bad accident.

It was a preventable one, by the way. If we had had some more rules of the road in place, if we'd had better economic policies, we could have prevented it. But it is what it is. We went through this.

You're absolutely right, though, that now part of what's holding us back is us needing to go ahead and feel confident about the future. Now, that's not the only thing holding us back. Let's be realistic. Part of the reason people aren't spending is they had maxed out on their credit cards, and people, quite sensibly, said to themselves, you know what, this is probably a good time for us to reflect on the fact that we were buying a bunch of stuff that maybe we should get in the future but we weren't quite there yet and we should run down our debts. And people have done that. People have been paying down their debts a lot more over the last year than they had in the previous 5 or 10 years.

A lot of people were borrowing against their homes—home equity loans. One of the things that I always—Michelle and I always laugh about is when people talk about us, I think they forget that we were basically living the same lives as John and Nicole, just—it wasn't that long ago. It was like 6, 7 years ago. I still remember the first time I refinanced our—we had a condo, and we had gotten higher—initially, we had gotten higher rates. And then—because we bought it in 1993. And sometime around '97 or '98—I don't remember exactly when—the rates had gone down like a couple of

percent. And we said, well, it makes sense for us to go to refinance.

And I still remember talking to the bank. And they said, you can refinance, and you can take some money out. And I said, well, what does that mean? They said, well, your house—your condo has appreciated so much that you can take—it's like found money.

And I remember thinking at the time, well, that doesn't sound right. [*Laughter*] But it was—but that was—everybody, I think, was so certain that homes were appreciating and they would always appreciate, and so it just made everybody feel a lot richer.

Now, homes suddenly start dropping in value. You don't have that kind of equity. And so people feel a little bit less wealthy; 401(k)s still haven't fully recovered; 529s, the college portfolios that people put together, they still haven't fully recovered. So there are legitimate and real reasons why people have pulled back a little bit.

But having said all that, I want to end on the point that you're making, which is that we have averted the worst. The economy is now growing. There are enormous opportunities out there. There are people who are inventing stuff that will be the new products of the future all across this country. There are young people who, when I meet them, they are talented and they're energetic and they feel confident about America.

If you travel overseas, as tough as this recession has been for us, the truth of the matter is, is that most countries still envy the United States. And there are billions of people around the world who would die to be here and have that opportunity to prosper and be part of this great middle class of ours.

And so my hope is—and this goes to the question of the previous gentleman—what can Republicans and Democrats do together after this election is stop spending so much time attacking the other side and spend a little more time focusing on what's good and what's right about America and what opportunities we have. And if we do that, then I'm absolutely confident that we're going to move forward for a long time to come.

Thank you very much, everybody. God bless you.

NOTE: The President spoke at 1:55 p.m. at the residence of Nicole Armstrong and John Nicholas. In his remarks, he referred to Trevor and Olivia Nicholas, children of Ms. Armstrong and

Mr. Nicholas; Royce C. Lamberth, chief judge, Federal District Court for the District of Columbia; and Mark E. Zuckerberg, founder and chief executive officer, Facebook.

## Remarks to NCAA Championship Teams September 13, 2010

Hello, everybody. Well, it's good to see—boy, this is a healthy-looking group here. [Laughter] It is wonderful to see you. Welcome to the White House.

I want to thank all the teams that have traveled from all over the country to be here, and congratulations on being NCAA champions. We've got over 650 athletes and almost 150 coaches and staff here today. This is the most athletic talent we've ever had on the South Lawn.

We've got the sharpshooters from TCU rifle squad. Where are they? There they are down there. I think they might be able to give Secret Service a run for their money. [Laughter] We've got the Fairleigh Dickinson bowling team here. I need some tips, guys. [Laughter] You might be able to tell me how to get my score up.

I want to recognize Ambassador Ron Kirk, who's a big Texas Longhorns fan. He's our Ambassador for trade. We've got a lot of Members of Congress who are here, local officials who are with us. And I know they are incredibly proud of the trophies that all of you brought home. I want to thank the NCAA interim president, Jim Isch, for everything he's doing to support so many outstanding student-athletes. Give Jim a big round of applause.

Now, that term, "student-athlete," is the thing that makes me so proud to stand before you here today, because when each of you won the titles that you won, whether it was in lacrosse or gymnastics or wheelchair basketball, you didn't do it as professionals. You didn't have multimillion-dollar contracts or huge endorsement deals. You woke up early. You put in countless hours of practice for the love of the game and for the pride of your school. You rode those buses and you carried those bags because you knew what it was going to take to be the

best and because every one of you has a competitive streak that's about a mile wide.

And most impressive of all, you did this while shouldering a full load of classes, sometimes grabbing a few minutes to study in airports or locker rooms, because you understand that "student-athlete" emphasizes "student" and not just "athlete."

So this is a group that knows what it means to be a champion. You also understand that being a champion means giving back to the folks who gave so much to you: the fans and the students who braved the heat and the rain and the snow to see you play, the communities that adopted you as one of their own.

And that's why I'm so proud to hear about all the ways that you've found to improve the lives of those around you. I know that one team here cooks dinner for the families of children suffering from serious illnesses. Another holds a track meet every year for more than 300 students with physical and mental disabilities. Together, you guys have organized blood drives, built houses, cleaned up beaches, and reached out to senior citizens. One young man even donated bone marrow to a little girl he had never met. And as he said, "Saving someone's life is a lot more important than a football game."

It's the kind of selfless attitude that's going to stay with you for the rest of your lives. And that's incredibly important, because for the vast majority of you, the day will come, and it will probably be sooner than you like, when you won't be known primarily as a hockey player or a tennis player or a baseball player anymore. Instead, you're going to be known as a doctor or a lawyer or a teacher or a nurse, a businessperson, a mom or a dad. And I'm confident that you're going to excel at that just as you've excelled at everything that you do.