

was also the strongest patient bill of rights that has ever been passed to make sure that if you do have health insurance, the insurance companies don't jerk you around, that they treat you fairly. And that is going to stay in place. And that's the right thing to do.

All right, I've got time for one more question. And I'm going to ask this young lady right here. I always want to end with the next generation.

Q. I'm Vanessa Peer, and I'm from Cannon Falls. And I'm going to say, happy birthday to Val. [Laughter]

The President. Oh, happy birthday, Val. Val looks like she's about 29. [Laughter]

Q. And why Cannon Falls?

The President. Why Cannon Falls? Well, I had heard that Cannon Falls has some of the smartest, best looking kids around. And you have confirmed the rumor about the outstanding children of Cannon Falls. [Laughter]

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

NOTE: The President spoke at 11:56 a.m. at Hannah's Bend Park. In his remarks, he referred to Warren E. Buffett, chief executive officer and chairman, Berkshire Hathaway Inc.; and former Gov. W. Mitt Romney of Massachusetts, 2012 Republican Presidential candidate.

Remarks at a Town Hall Meeting and a Question-and-Answer Session in Decorah, Iowa August 15, 2011

The President. Hello, Decorah! Hello, Iowa! It is good to be back. This place is as pretty as I remembered it. It is spectacular.

Everybody, please have a seat. Everybody, have a seat. It is wonderful to see all of you. First of all, I've got a few introductions I just want to make real quick. The attorney general of Iowa, a great friend of mine, one of my earliest supporters, Tom Miller, is in the house. The mayor of Decorah, Donald Arendt, is here. Give him a big round of applause. You may remember this guy; he did a great job in Iowa. He's now one of the finest Secretaries of Agriculture we've ever had. Tom Vilsack's in the house. And I want to thank Diane and everybody at the Seed Saver Exchange for this unbelievable setting. Give them a big round of applause.

And they gave me a pack of seeds for Michelle's garden. [Laughter] So I'm going to be in good stead when I get home.

This is a town hall meeting, so I want to spend most of my time answering your questions. But if you don't mind, I just want to make a couple remarks at the top.

We obviously have gone through one of the toughest times in our history economically over

these last 2½ years. We've gone through the worst recession since the Great Depression, dating back to 2007, 2008. But what I said earlier today when I was in Cannon Falls is something I believe with every fiber of my being, and that is that there is not a country on Earth that would not be willing to trade places with the United States of America. We've got the best universities. We've got the best entrepreneurs. We've got the best scientists. We've got the best market system, the most dynamic in the world.

And so as tough as things are, all of us are incredibly blessed to have been born in the United States of America. And that's why we continue to attract people from all around the world who see us as a beacon of hope.

But having said that, we have to acknowledge we've got some big challenges. Now, some of the challenges are not of our own making. We had reversed the recession, avoided a depression, got the economy moving again, created 2 million private sector jobs over the last 17 months. But over the last 6 months, we've had a run of bad luck, some things that we could not control. We had an Arab Spring that promises democracy and potentially a

growth of human rights throughout the Middle East, but it also caused high gas prices that put a crimp on a lot of families just as they were trying to dig themselves out from the recession. Then we had a tsunami in Japan that disrupted supply chains and affected markets all around the world. And then in Europe, there are all kinds of challenges around the sovereign debt there, and that has made businesses hesitant, and some of the effects of Europe have lapped onto our shores. And all those things have been headwinds for our economy.

Now, those are things that we can't completely control. The question is, how do we manage these challenging times and do the right things when it comes to those things that we can control? See, the problem we have is not with our country. The problem is that our politics is broken. The problem is, is that we've got the kind of partisan brinkmanship that is willing to put party ahead of country, that's more interested in seeing their political opponents lose than seeing the country win.

And nowhere was that more evident than this most recent debt ceiling debacle. The fact of the matter is that our debt and deficits are manageable if we make some intelligent choices and make sure that there are shared sacrifices as well as shared opportunities. And had we made some decent decisions over just the last 2, 3 months, had we been willing to seize the opportunity that was before us, then there is no reason why we had to go through this downgrade. Because that did not have to do with economics, that had to do with politics. It was an assessment that our Congress is not able to come up with the kinds of compromises that move this country forward.

And I don't know about you, but I'm pretty frustrated about that. I am pretty frustrated about that because, given the challenges we face, we don't have time to play games. There are a lot of folks—a lot of our neighbors, a lot of our friends—who've been out of work too long. We've got too many small businesses that are struggling. I see a lot of young people in the audience here today, and they're thinking about what are their prospects for the future, graduating from college knowing they've got a

lot of debt, needing to find a job. They don't have patience for the kind of shenanigans we've been seeing on Capitol Hill. They understand that now is the time for all of us to pull together and do what it takes to grow the economy and put people back to work.

Now, the good news is there are things we could be doing right now that would make a difference for our economy. Back in December, when some of my folks on the other side of the aisle were more willing to compromise, we were able to put a package together that cut taxes for families by an average of a thousand dollars.

And what I've said is, let's continue this payroll tax cut into next year so as the economy is strengthening, ordinary families who are still digging themselves out of credit card debt or seeing their homes underwater, they've got a little more purchasing power. That will be good for small businesses and large businesses, and they will hire.

We could right now say we are going to go ahead and renew that tax cut, and that would be good for the American people and good for the economy. There's no reason to wait.

There's no reason for us to wait putting construction workers back to work all across the country. Nobody took a bigger hit than those who were involved in the housing boom when the boom went bust. So why don't we put them to work right now rebuilding our roads and our bridges and our schools all across America? There's a proposal in Congress right now. Congress should pass it and get it done.

There's no reason why we shouldn't be helping our small businesses and startup businesses. We've passed 16 tax cuts for small businesses. And right now we've got a bill pending that is called the "American Invents" bill. It basically reforms our patent system so if somebody has got a creative idea, they can turn it into a business right away without redtape, without bureaucracy. That's who we are: a nation of inventors. This traditionally has had bipartisan support. What are we waiting for? We should pass it right now to give a spark to industry.

We've got pending trade legislation. Tom Vilsack and I were talking on the way over, on

the bus here, and the truth of the matter is, is that the agricultural sector in America, the cornerstone of States like Iowa, is doing very well. But we could be doing more. And my general attitude is, why don't we want to open up markets so that the extraordinary bounty of the heartland of America is making its way there, but also manufacturing is making its way there.

Look, we've got a whole bunch of Kias and Hyundais here in the United States of America on our roads, and that's fine and good. But I want some Chryslers and some GMs and some Fords on the roads of the South Korea as well. We should go ahead and get those trade deals done.

So there are a whole host of ideas that we could be implementing right now that traditionally have had bipartisan support. The only thing that is preventing us from passing them is that there are some folks in Congress who think that doing something in cooperation with me or this White House, that that somehow is bad politics. Well, you know what, you guys didn't send us there to be thinking about our jobs. You sent us there to be thinking about your jobs and your future.

Now, we do have to be thinking about how we invest in education and how we invest in infrastructure and how we invest in basic research, but still do it while the Government is living within its means. And neither party is blameless on this. The truth is we had a balanced budget in 2000—the last time we had a Democratic President—and what we ended up doing was we had two wars that we didn't pay for, a prescription drug plan we didn't pay for. We had two tax cuts that we did not pay for, and the result was a burgeoning debt. And then what ended up happening was, because of the recession and the lack of regulation on Wall Street, this wrenching recession meant less tax revenues coming in and more going out, because we were providing help to States to make sure teachers and police officers and firefighters weren't laid off and to make sure that we could help small businesses and put people back to work.

So we've got a genuine problem with deficits and debt. But here, again, is the good

news: If everybody is willing to make some modest sacrifices, this problem we could solve. We could solve it tomorrow. We could solve it next week. If the Speaker of the House had taken the bargain that he and I were talking about, we would have had it solved last month, and we would not have gone through everything that we went through over the last several weeks. But it does require compromise and it requires some balance.

Warren Buffett had an article published today in which he said, "Stop coddling billionaires." He pointed out that—I think he made about 36 million on income; it was, I guess, an off-year for him—[laughter]—but he pointed out that he paid an effective rate of 17 percent when it came to taxes, which meant that he paid a lower tax rate than anybody else in his office, including his secretary, because most of his income came in the form of capital gains.

And he made a simple point. He said, look, nobody's income has gone up faster than the top 1 percent. In fact, nobody's gone up faster than the top one-tenth of 1 percent. There's nothing wrong, when it comes to closing our deficit and managing our debt, to say that we should ask a little bit of help from everybody. I don't want a tax cut if it means that senior citizens have to pay an extra \$6,000 a year for their Medicare. That's not fair, and that's not right.

I think it makes sense for us to say, you know what, let's close some loopholes that only oil and gas companies are able to take advantage of to make sure that we don't have to cut back on Pell grants for students who are trying to go to college and get a better education.

Now, that doesn't mean that we defend every single Government program. Everybody has got to make sacrifices. There are programs that aren't working well. And sometimes there are those in my party who will defend everything, even if it's not working. Well, we do have to make some cuts on things that we don't need, and that allows us to invest in the things that we do. But there's got to be balance, and there's got to be fairness.

And that's not just my view; the majority of Republicans agree with that view. Although I have to tell you, when I saw the other day—my

friends in the Republican Presidential primary, they were asked, "Would you take a deal in which, for every \$1 of tax increases, we cut \$10 in Government spending?" Ten-to-one ratio, and nobody was willing to take that deal. And what that tells me is, okay, you've gotten to the point where you're just thinking about politics, you're not thinking about common sense. You've got to be willing to compromise in order to move the country forward.

So here's the upshot: We do have real challenges. We're going to have to make some tough decisions. And I know that during the 2½ years that I've been President, we've gone through a lot of ups and downs and a lot of tough times. And our job is not finished until every single American who's looking for a job can find a job and until we have fixed the problems that caused me to run for President in the first place, so that we're growing a middle class and people have basic security and they know if they're following the rules, if they're working hard, if they're looking after their families and meeting their responsibilities, that they've got a chance at the American Dream. You guys are meeting your responsibilities. You're meeting your responsibilities. You're working hard. And if you've gotten laid off and you don't have a job, you're out there looking for a job. You're looking after your family. You're tightening your belt where you need to, but you're still making investments to help your kids with their future. You're operating with common sense, and you're donating time at your church or a food pantry or Little League. Well, if you're meeting your responsibilities, the least you can ask is your elected representatives meeting theirs.

And so I understand that after this last midterm, you voted for divided Government. But you didn't vote for dysfunctional Government. You didn't vote for a broken Government that can't make any decisions, can't move the country forward at all. That's not what you voted for.

And so some people have been saying, well, Mr. President, why don't you call Congress back for a special session? And what I've said is the last thing that people need for confidence

right now is to watch folks on Capitol Hill arguing all over again.

What they need to do is come to Decorah or go to Cannon Falls or meet with their constituents back home and hear the frustration and understand that people are sick and tired of the nonsense and the political games. And hopefully, when they come back in September, they're going to have a wakeup call that says we need to move the country forward. You've got to start focusing on doing the people's business. That's what everybody's expecting.

I want you to help hold all of us accountable, me included. I am enlisting you in this fight, because if you are—if you're making your voices heard, if you're letting people know that enough is enough, it is time to move forward, it is time for us to win the future. If your voices are heard, then sooner or later these guys have to start paying attention. And if they don't start paying attention, then they're not going to be in office, and we will have a new Congress in there that will start paying attention to what is going on all across America.

I'm confident in the power of your voice. I'm confident in your values; those are the values that we share. I don't care whether you're a Democrat or Republican or an Independent. All of us here are patriots, and everybody here cares about our country and puts it first. And if we can have that kind of politics, then nothing can stop us.

Thank you very much, everybody. God bless you. Thank you. Thank you, Decorah.

All right. So here's what we're going to—everybody have a seat. We got a bunch of questions coming. What we're going to do is folks who have a question can just raise their hand. We've got people with microphones in the audience. And I'm going to go boy, girl, boy, girl, so it's fair. [Laughter] We want to be fair.

All right, let's start with this young lady right here. Right in front. And you got a microphone coming right behind you.

Bipartisanship/President's Governing Style/President's Accomplishments

Q. Okay. I have to say before I ask my question that I'm a very big supporter. So—

The President. Thank you. What's your name?

Q. Emily.

The President. Hey, Emily.

Q. Emily Neal. And this is my daughter Kaia.

The President. Hey, Kaia.

Q. Anyhow, so—

The President. What you eating there? Hold on a second. [*Laughter*]

Q. She broke her arm.

The President. Is that a cookie?

Q. You want to give him a cookie?

The President. How did you get a cookie that early?

Q. Is that allowed?

The President. Before dinner? [*Laughter*]
All right, go ahead. Go ahead.

Q. Oh, you don't want to know what I do for a living. That's funny. Okay. So when you ran for office, you built a tremendous amount of trust with the American people, that you seemed like someone who wouldn't move the bar on us. And it seems, especially in the last year, as if your negotiating tactics have sort of cut away at that trust by compromising some key principles that we believed in, like repealing the tax cut, not fighting harder for single payer. Even Social Security and Medicare seemed on the line when we were dealing with the debt ceiling. So I'm just curious, moving forward, what prevents you from taking a harder negotiating stance, being that it seems that the Republicans are taking a really hard stance?

The President. Well, let me—no, this a good question, and I'm glad you asked it, because obviously, I've been getting a lot of this in the press lately. First of all, when it comes to health care, I said during the campaign that we were not going to be able to get a single-payer system and that my priority was making sure that every American who needed health insurance was able to buy it and were going to be treated fairly and it was going to be affordable. We were going to eliminate preexisting conditions—or we were going to eliminate the bar on people getting health insurance if they had preexisting conditions.

And the health care bill that we passed was not perfect, but we covered 30 million people.

We had the strongest patient bill of rights ever. We made sure that folks who were under 26 could stay on their parents' health insurance. We made sure that there were no lifetime limits and that if you got sick, your insurance company—if you'd been paying your premiums, that they better be paying for your medical care and not trying to wiggle out of it.

So this was a landmark piece of legislation. Yes, getting it through Congress was messy, and it didn't have every single provision in there that we wanted, but it was entirely consistent with what I campaigned on.

Now, with respect to the Bush tax cuts, I said very clearly that I thought the high-end tax cuts for folks like Warren Buffett should lapse. After the midterms, though, the economy was still weak. It wasn't clear that we could get—that in Congress we could hold the line. We couldn't get what's called decoupling, which meant Republicans would not go along with just voting for continuing the middle class tax cuts and letting the high-end lapse. And what that meant was, the choice I had to make would have been to let all the Bush tax cuts lapse, including those for the middle class, which would have meant that the average family saw their taxes go up \$3,000 on average, at a time when they were still digging themselves out of a debt hole. It would have been very bad for the economy.

We also would not have gotten uninsurance—unemployment insurance continued into this year. We would not have been able to do the payroll tax, and so the economy would have been much weaker. And so I made a decision that it was better for us at that point to strengthen the economy, because we only extended those tax cuts for another 2 years. And we would be able to take our case to the American people as the economy got stronger as to why we've got a different approach than the Republicans do.

Now, on this debt ceiling, it's pretty straightforward. I felt that it was important for us to try to solve the problem rather than play games. And that was particularly important because if we had allowed default—if you think that the stock market gyrations this last couple weeks

was bad, if we had had a default, then we might not—genuinely might have gone back into a financial crisis. Because the truth of the matter is, even though we got downgraded, I don't know if you've noticed, but when the market got all crazy, what do you think people bought? Where did they put their money to avoid risk? They bought Treasury bills.

So the market voted to say, we have complete confidence in America right now. But if we had defaulted, that meant that we might not have the legal authority to issue Treasury bills and we would have had problems making our Social Security payments, making our payments to our troops, our veterans, and so forth. And that was not a risk worth taking.

Now, I know that people would like to say, well, just do something to get these guys under control. This was a unique situation in which, frankly, the collateral damage from an actual default would have been so great that I didn't want to risk the livelihoods and the well-being of millions of people even though I thought the other side was very unreasonable. Now, that's a unique circumstance.

Moving forward, my basic attitude is, we know what to do. I'll be putting forward, when they come back in September, a very specific plan to boost the economy, to create jobs, and to control our deficit. And my attitude is, get it done. And if they don't get it done, then we'll be running against a Congress that's not doing anything for the American people, and the choice will be very stark and will be very clear.

But I guess my broader point is this. Look, I think it was Mario Cuomo who once said, "Campaigning is in poetry, and governing is in prose." And my job as President goes beyond just winning the political argument. I've got a whole bunch of responsibilities, which means I have to make choices sometimes that are unattractive and I know will be bad for me politically and I know will get—make supporters of mine disappointed.

But what I want everybody to think about is the trajectory in which we've gone. So yes, maybe you didn't get a public option, but we got the closest thing we've ever had to universal health care. And yes, the economy is not

fully healed, but it's a lot better off than it was when I came into office. And yes, we haven't transformed our energy system yet, but I tell you what, administratively we just doubled fuel efficiency standards on cars, the first time that's happened in 30 years, which will do more for our environment than any piece of legislation that we've seen in a very long time. And we will be getting our troops out of Iraq by the end of this year. We've already got a hundred thousand out, and they're all going to be out by the end of this year. And we're starting to transition out of Afghanistan.

And so look, the bottom line is we're moving in the right direction. But I know it's frustrating, because the other side's unreasonable, and you don't want to reward unreasonableness. I—look, I get that. But sometimes you've got to make choices in order to do what's best for the country at that particular moment, and that's what I've tried to do. All right?

Okay. It's a guy's turn. This gentleman in the back, in the blue shirt.

Health Care Reform

[At this point, there were technical problems with the questioner's microphone.]

Q. You are heard.

The President. There you go. [Laughter]

Q. We—you talk about universal health care. I guess my question is, if it's so good, why are you allowing so many large companies to opt out?

The President. Well, you know what? Here's what it is, is that any time you're changing big systems like this, there are going to be—there's going to be a transition period. So the overall health care reform does not take fully—does not fully take effect until 2013. That's when we have the exchanges set up, which means that if you don't have health insurance or if you're a small business that only has a few employees and you can't get a good rate, you're going to be able to go into the exchange and essentially be part of a big pool—just like a big company or the Federal workers are—and get a better deal from your insurance companies. But those

exchanges are just now being set up. It took about a couple years to get it set up.

So, in the meantime, the question is, how do you manage that transition in a way in which a bunch of companies don't say to themselves, well, we're just going to eliminate health care that's not great, but is better than nothing? And our basic attitude has been, we're willing to give some waivers to some companies that are doing something when it comes to health care, because those employees don't have a better option right now. But as we build up this better option, then they'll be able to take advantage of that better option. All right?

So the whole issue here has to do with, how do we transition to get to the point where all these exchanges all across the country are up and running? Now, there are some things that have already taken effect that make a difference in your life even if you've got health insurance. I mentioned young people who can stay on their health care—parents' health care till they're 26. Senior citizens, right now, have already gotten a \$250 rebate on their prescription drugs, and we're closing the so-called doughnut hole so that if you've got high drug expenses, you're going to start saving potentially thousands of dollars over the next several years as we phase that in.

If you've got health insurance right now, you've got a lot more security in your health insurance than you used to. And in the meantime, there are small businesses all across the country who are getting millions of dollars in subsidies already; they're getting big tax breaks to provide health insurance to their employees that they didn't provide—that they didn't get before.

So this thing is already making a big difference in the lives of millions of people all across the country, but it's not fully implemented yet. And that's not unusual. I mean, when Social Security started, it took a bunch of years before it was the program that we understand it to be right now. The same was true with Medicaid, the same was true with Medicare. So when you start doing something big like this, it takes a couple years in order for us to implement it.

All right. It's a young lady's turn. Okay. Right there in the stripes. Yes.

Tax Code Reform

Q. First of all, I'd like to say what an honor it is to be here with you.

The President. Well, it's great to be here, and it's a beautiful night. It's nice.

Q. We know that the tax system is pretty broken. Is there anything going on about a possible Federal sales tax or a flat tax, anything like that, which would be more fair to all people?

The President. Well, this is the task that this so-called supercommittee is supposed to be working on, and that is changing the Tax Code and reforming it: closing loopholes, closing special-interest tax breaks. Potentially, if you closed a bunch of these loopholes and tax breaks, you could lower the overall rate, broaden the base, and it would be a fairer, easier system that would combine simplification with, actually, more revenue.

So my hope is that Congress is willing to take up tax reform. So far they've said that they're willing to do it, but so far we haven't seen a lot of energy on the part of some folks in actually delivering on tax reform.

Now, I have to tell you, I think it's very important for us to maintain what's called progressivity in the Tax Code though. Because, yes, you can reform the Tax Code where you just have a flat tax, for example; the problem is, Warren Buffett would probably pay even less in taxes, and a lot of companies would pay even less in taxes if you set up that system.

So we can simplify the Tax Code; we can make it less distorting to the economy. There is no reason why an oil and gas company should get a tax break when a small business here in Decorah doesn't get a tax break. There's no reason why you should get a tax break if you build a corporate jet, but you don't get that same tax break if you build a commercial jet.

So there are a lot of distortions like that that we need to change. And my hope is, is that Congress takes tax reform seriously. But no matter what tax reform happens, it is very important for those of us who are best able to pay,

to pay our fair share. That's a basic principle that I think all of us agree on, all of us understand. And by the way, that's how it was up until 2000. And when you hear this argument that somehow if you just cut taxes for wealthy folks that the economy is going to be better because they're the job generators, et cetera, just remember that we created tens of millions of jobs under the Tax Code that existed before the Bush tax cuts, and we've had much less job growth since that time.

So we've had an experiment in this theory that you hear propagated all the time. It didn't work. And in the meantime, it helped to create these huge deficits, and it means we're underinvesting in the things that are going to be important.

So States all across the country are laying off teachers. This is not the time for us to be laying off teachers. We should be training teachers, putting the best teachers in front of the classroom, because whoever's best educated is going to win the race for the future.

Now is not the time for us to not invest in infrastructure. We used to have the best roads, the best bridges, the best seaports, and these days China has got better airports than us. Europe has better rail systems. Try to get products to market—we should have the best. We should have the best smart grid that transmits energy from solar panels and wind turbines to high-population centers, which could be an income generator for rural America and would improve our environment and reduce our dependence on foreign oil. Those are investments we should be making right now.

So there are two contrasting visions that are going to be presented over the next year and a half in this debate that we still have to finish about how to close the debt and the deficit and how we move this country forward. And I'm on the side of a vision that says we live within our means, but we still make investments in the future, and everybody pays their fair share, and we've got shared sacrifice and shared opportunity.

And on the other side, you've got a vision that says, we are going to make sure that those who have benefited the most pay the least, and

we underinvest in education, and we underinvest in infrastructure, and we underinvest in basic research. That's their vision. And we dismantle Medicare as we know it and make it into a voucher system. Well, that's—I don't think that's the way that America is going to grow; that's not how America is going to prosper. But the only way that we're going to be able to win that argument is if you guys make a decision that you want a country that's big and bold and generous and not one that's cramped and just believes in a winner-take-all economy in which everybody else is left out in the cold. That's not the kind of America that I was raised in, not the kind of America I believe in.

All right. A gentleman's turn. Right there in the green shirt.

Infrastructure

Q. Thank you, sir. Welcome to Decorah. My name is John Franzen, and I'm with the Decorah City Council—[applause]—I'm with the Decorah City Council, my name is John Franzen, and we have several large infrastructure construction companies. You touched on infrastructure, and I think that one of the fastest and best stimulus packages would be infrastructure in America. Can you touch base on that, please?

The President. Well, I completely agree with you. And as I said, if you think about what's happened to our economy, we had a huge housing bubble that popped, and a lot of folks who were feeling pretty good about the wealth invested in their homes suddenly felt poor when their mortgages were bigger than the assessment of their homes. And a lot of developers realized, you know what, we can't sell all the homes that we've already built. And a lot of construction workers got laid off. And those construction workers, by the way, a lot of them had been in manufacturing, and when manufacturing got more efficient or moved offshore, they went into the construction trades. And that's been a huge drag on our economy.

Now, there is no better time for us to invest in infrastructure than right now, first of all, because we need it, but second of all, because interest rates are very low, so financing infra-

structure is cheap. And you've got contractors and construction workers who are dying for work. So they'll come in on time, under budget, if we just give them the opportunity.

So what we've said is this: Not only do—should the Government be investing more in infrastructure, but we should be investing in it in a smarter way. There's been bipartisan support for something called an infrastructure bank, where the Federal Government would put seed capital in it, but it would basically leverage the private sector that wants to invest in smart infrastructure projects all across the country. And so if you made a \$10 billion investment, that might result in \$300 billion worth of investment in projects all across the country that could put people to work right now. Because, look, there are a bunch of companies and a bunch of pension funds out there that are looking for ways to invest. They don't know where to put their money. What better way to invest than investing in America? And it would make the entire economy more productive.

Now, we did some of this during the Recovery Act. So, for example, we said—thanks to Tom Vilsack, we said, you know what, rural America needs broadband access. And so what we've done is to help lay broadband lines; our goal is 98-percent coverage—broadband coverage all across rural America. That's a good investment. Not only does it put people to work, but it makes the incredible productivity of rural America connected with the world. And if you get a product here in Decorah that sells, you can not only sell in Decorah, you can start selling it in Los Angeles, in Singapore, and all around the world if you've got that Internet connection. That's a good investment.

I mentioned a smart grid. We need to replace our electricity grid to make it more efficient, and then you can transmit energy from biofuels or wind power to major population centers. That's good for rural America. That's good for those population centers.

So there's a lot of investments that we can make. All that's missing right now is the will to get it done, and we're going to be pushing

Congress hard in September to move forward on that proposal. All right?

Okay. Let's make sure I get this side here. This young lady right here. We got a microphone right by you.

U.S. Political System/Bipartisanship

Q. You already did a good job by calling me a young lady. [Laughter]

The President. See? Absolutely.

Q. Thank you very much, Mr. President. Mr. President, you've got some wonderful ideas. And as a result of my work at Luther College at the Diversity Center, I'm privileged to hear a lot of good ideas. And I'm privileged to work with people, with partners, who may have different points of view, but we come to common ground. Unfortunately, Mr. President, I don't see that you have partners. The Congress doesn't seem to be a good partner. You said so yourself, they're more interested in seeing you lose than the country win.

My question, Mr. President, is what actual strategy do you have behind the plan that you say that you're going to be taking back to Washington so that when Congress comes back they'll have all these good ideas in front of them? And then my second question is, what happens, Mr. President, to our democracy? We are in a very divided country right now. What can you say to help us with democracy itself, good old American democracy? Thank you.

The President. You bet. Well, let me say this. First of all, democracy is always a messy business in a big country like this. We're diverse, got a lot of points of view. We kind of romanticize sometimes what democracy used to be like.

But when you listen to what the Federalists said about the Anti-Federalists and the names that Jefferson called Hamilton and back and forth, I mean, those guys were tough. Lincoln, they used to talk about him almost as bad as they talk about me. [Laughter]

So democracy has never been for the faint of heart. And you've got to get involved and get engaged. And folks are throwing elbows, and that's always been the way American democracy

has functioned. So we don't want to romanticize it.

But what is true is because of the way our system is set up, we got different branches of Government, separation of powers, and in order to do big things, we always have had to compromise. That's just the nature of how our democracies function. And what that means is, is that everybody cannot get a hundred percent of what they want.

Now, for those of you who are married, there is an analogy here. [Laughter] I basically let Michelle have 90 percent of what she wants. But at a certain point, I have to draw the line and say, give me my little 10 percent. [Laughter] And now, this is mainly—she's right 90 percent of the time, so—[laughter].

But you said in your workplace, right, you guys don't all agree on everything. But at a certain point when you want to move the institution forward, you say, all right, let's try to not focus just on our differences, let's try to figure out what we have in common.

That is something that we have not seen lately, partly because the way congressional districts are drawn, everybody is in very safe districts. And so the Republicans, they're worried about a Republican primary, and they're not really thinking about the general election. That kind of pushes them to take more maximalist positions.

Part of it is the way our media has evolved. It used to be everybody was sitting there watching Walter Cronkite. Now everybody's on their own little blog or their own separate news forum. If you're a Democrat, you're reading the New York Times. If you're a Republican, you're watching FOX News, right? People don't listen to each other as much. The only way that gets fixed is if voters insist on a different kind of politics and reward people who do seem to be listening to the other side and do seem to be focusing on trying to get things done.

Now, in terms of how I deal with the current Congress, what I can do is to present my best ideas about how we move the country forward. And by the way, these are ideas that—many of these ideas traditionally have had Republican

support. It's amusing to watch one of the major Republican candidates now trying to wiggle out of the fact that my health care bill is very similar to the health care bill he passed at a time when he needed to compromise because he was living in a Democratic-majority State.

And so some of these folks know better. And what I—all I can do is to say, I'm going to take the best ideas from everybody, Republicans, Independents, and Democrats, present to them, this is what you should do. But I can't force them to do it. You can force them to do it. And I will take my case to the American people that this vision is how we move the country forward, and if they've got an alternative vision and they don't want to sit there and do nothing for the next 16 months, while unemployment is still high and small businesses are still suffering, then ultimately, they're going to be held to account by you, just like I'm going to be held to account by you.

But we've got to reward folks who are more serious about solving problems than scoring political points. And I make no apologies. Sometimes I—people get mad at me: Well, he's too reasonable. [Laughter] Now, think about that. Think about that. People, they're not arguing necessarily that what I'm saying wouldn't work. They're just saying, well, you're too reasonable. I make no apologies for being reasonable.

But ultimately, you do have to hold people accountable, because lives are at stake and the economy is at stake and our children's future is at stake. And so we don't have time for games. All right?

Okay. The gentleman right here.

Rights for Former Felons

Q. Hi. Thanks for coming to Decorah. It's really awesome for you to be here. Mr. Vilsack did a great job before he left office as the Governor—[applause]—in reinstating voting rights for—

The President. Yay, Tom Vilsack!

Q. —in reinstating voting rights for convicted felons. I have found, as somebody who made a mistake when I was young, that 10 years later it's still affecting me. And I want to

know, like, if there's anything that is going to be done or could be done so that I can move past that past and many of the people who are all around me and have something better than an entry-level job.

The President. Well, there are obviously a bunch of different aspects to the challenges for folks who have some sort of felony record. It affects them economically. It affects them in terms of voting in some States. One of the strengths of America has always been that this is a land of second chances. And as somebody who feels deeply about my faith, one of the things about my Christian faith is that I believe in redemption and second chances.

And so as a consequence, I think it is very important for us—first of all, if somebody has served their time, for them to be able to participate in their democracy. And historically, many of these issues in terms of eligibility to vote have been set at the State level as opposed to the Federal level, but the Justice Department at the Federal level does have the capacity and the obligation to monitor what States are doing to make sure that they are not purposely exclusionary.

And so we're going to be monitoring voting rights all across the country as long as I'm President of the United States, because I think that the burden of proof should be on States to provide a rationale as to why somebody shouldn't be voting, as opposed to the burden of proof on the person not voting as to why they should have a right to vote. That's my general view.

Economically, there are a lot of good programs out there, and to their credit, we've actually had some good bipartisan support for second-chance legislation that helps provide training programs and allows, for example, expungement of more minor offenses so that people can get back on their feet and contribute economically. And we've actually had some good Democratic and Republican support in Congress for some of that legislation. I think the challenge right now is, when the economy is weak, obviously, you're going to have a tougher time when you apply for a job if there are 100 other applicants for the same job and some of them don't have a record.

If the economy is stronger, then it puts us in a stronger position to be able to push companies to give people a second chance. And so I think my biggest job as President is to make sure that we're strengthening the economy, we're growing it, we're putting people back to work generally, because this is a situation where a rising tide does lift all boats. If the economy is going strong and the unemployment rate is going down generally, then that's going to help you as well. All right?

Okay. Right, the woman with the hat. She's been waving that hat around. [Laughter] See, you got to have a hat. That's a huge advantage in terms of getting called on.

Workers' Rights/Labor Unions

Q. Hi, my name is Bev Crumb-Gesme, and I actually used to teach school in the district in which Seed Savers is located. And we have a number of students, former students here that I taught.

The President. How was she? Was she a good teacher? You got thumbs up.

Q. What can I say?

The President. What did you teach?

Q. High school social studies.

The President. Well, that's important stuff.

Q. Many unions, especially public sector unions, helped you get elected in 2008. Those public sector unions and their members gained their salaries and benefits through collective bargaining. Recently, those benefits have been under attack. And I realize that this is a State issue mostly, but what can you do to help support collective bargaining in the States and, most of all, support the public sector unions, the middle class, many of whom are union members? Thank you.

The President. Well, first of all, let's make one thing clear. The right of workers to come together and join a union is part of what built America's middle class. It's the reason why we've got a minimum wage. It's the reason why folks have weekends. It's the reason why you have basic protections on the job from an abusive employer.

There are a whole range of things that people take for granted, even if they're not in a

union, that they wouldn't have had if it had not been for collective bargaining. So I think it is very important, whether you are in a union or not—and I speak particularly to young people, because you've grown up at a time when in a lot of circles, "union" somehow is a dirty word—to understand all this is, is people joining together so they've got a little more leverage, so they've got better working conditions, better wages, they can better support their family.

And a lot of us entered into the middle class because our parent or a grandparent was in a union. Remember that. When I hear this kind of antiunion rhetoric and antiunion assaults, I'm thinking, these folks have amnesia. They don't remember that that helped build our middle class and strengthen our economy.

Now, you're right, most of this activity right now is being done at the State level, although I will tell you that some of the assaults on collective bargaining are taking place at the Federal level. You remember this FAA situation where they were shutting down the airports for—threatening to shut down the airports, and we were going to be laying off tens of thousands of people? The reason that happened was because folks on the other side in the House of Representatives decided, let's try to slip in a provision that could make it harder for people to collectively bargain in the aviation industry. And Democrats wouldn't go along. And so they said, okay, well, we're not going to renew funding for this.

So we're seeing some of that at the Federal level as well, and we're fighting back, pushing back against these efforts to diminish the capacity to exercise their basic freedoms and their basic rights.

Now, at the State level, in addition to just providing vocal support for public employees, what I also have been trying to do is to help States so that they can meet their obligations to their public employees and to emphasize how important it is to our future collectively that we have, for example, teachers that are getting

paid a good wage. We can't recruit the kinds of teachers that we need in the classroom.

And in most countries that are doing well right now educationally, their teachers are revered. They get paid on par with doctors and engineers, because there is an understanding that this is a critical profession for the future of the nation.

I do say, though, to my friends in the public sector unions that it is important that you are on the side of reform where reform is needed. Because the truth of the matter is, is that at a time when everybody's belt-tightening, there is nothing wrong with a union saying to itself, you know what, we know budgets are hard right now. Let's sit down and say we're willing to negotiate so that we're making some sacrifices to maintain the number of teachers in the classroom and keep class sizes at a reasonable level. We're willing to make some modifications in terms of how our pension systems work so that they're sustainable for the next generation of teachers, as long as it's a conversation, as opposed to it simply being imposed and collective bargaining rights being stripped away.

So I think it's important—remember we talked about shared sacrifice and burden sharing. Well, this is an area where there's got to be burden sharing as well. If a public sector employee is able to retire at 55 with 80 percent of their wages, and the average public [private]^o sector employee has got a 401(k) that they've just seen decline by about 20 percent, and they have no idea how they're going to retire, and they're feeling burdened by a lot of taxes, and they don't feel like the public sector employees are making any adjustments whatsoever to reflect the tough economic realities that are facing folks who are not protected, then there's going to be a natural backlash.

If there's a feeling that unions aren't partners in reform processes in things like education, then they're going to end up being an easy target. So there's got to be an understanding of, on the one hand, we've got to revere public employees. I was saying when I was in Cannon Falls that people are tired of politics,

^o White House correction.

but they're not tired of government. They may not realize it, but government are our troops in Afghanistan and Iraq. Government are our teachers in the classroom. Government are the FEMA folks who help people when there's a flood or a tornado or a natural disaster.

But we also have to acknowledge—and sometimes Democrats aren't good at this—is acknowledging that not every program in government is working perfectly and we've got to make adjustments to become more efficient and more productive, just like the private sector does. And the more we're willing to be open to new ideas and reform and change, the more we're going to be able to rally public opinion behind all the outstanding work that public employees do, as opposed to public opinion being turned against public employees. All right?

Okay, how many more—we've got time for one more? This is always tough, this last one.

Q. I have a question.

The President. Well, I—hold on a second. The—I'm looking over at this—sir—

Q. How will we—

The President. Sir—

Q. —come together when your Vice President is calling—[inaudible]—Tea Party members terrorists?

The President. Sir, hold on a second. The—I know it's not going to work if you just stand up and start—

Q. [Inaudible]

The President. No, he's okay. But, sir, I know it's not going to work if you just stand up when I asked everybody to raise their hand. Okay, so I was about to call on somebody. I didn't see you. I wasn't avoiding you. Please.

Q. [Inaudible]

The President. The—whose turn—is it a—I'm going to call on this young man right here. And I'll be happy to talk to you afterwards. Go ahead. This young man right here. We always end with the next generation. Go ahead.

U.S. Political System/Consumer Financial Protection Bureau

Q. Thank you, Mr. President. It's a real benefit of living in Iowa that we get to meet a lot of famous Presidential candidates.

The President. Yes, people seem to—for some reason, they just seem to show up in Iowa all the time, don't they? [Laughter]

Q. Yes.

The President. It's shocking.

Q. I'm actually in a picture with you somewhere, but—[laughter]—but you're talking a lot about how to bring people together and how to get our democracy to work together. That's all about finding common ground. But over the past—we've seen the rise of the Tea Party, and they really like to cite Thomas Jefferson for his opposition to big government and support of small government. What they don't ever mention is his fear of moneyed interests in politics, so—[applause].

Well, what we saw in 2010 in Iowa were—and in Wisconsin—were experienced, dedicated, wise centrist Democratic public servants being challenged by relatively unqualified Republican candidates. But—and these candidates were backed by millions of dollars of out-of-State company funding. And we also now have the Republican frontrunner for President calling corporations people. So I'm wondering what kind of hope do we have for our political spectrum now that we're running—we're going into the first Presidential election where we will be facing unlimited corporate contributions in politics?

The President. All right. Well, let me say this. First of all, in fairness to this gentleman, the—who raised a question, I absolutely agree that everybody needs to try to tone down the rhetoric. Now, in fairness, since I've been called a Socialist who wasn't born in this country, who is destroying America and taking away its freedoms because I passed a health care bill, I'm all for lowering the rhetoric.

I do think that whether it's the Tea Party or activists from whatever walk of life, as I said before, democracy has always been rambunctious in this country. And that's part of what makes America great, is everybody can express their opinions. And there is real anger and frustration—understandable—about the economic situation that we're finding ourselves in. I get that.

Think about it. We came in, you've got a bunch of irresponsible actors, both in Washington and on Wall Street, that almost brought this economy to the ground, and suddenly, everybody else is paying for it. And I think the Tea Party is an expression of that anger and frustration, as much as, sort of, the activism on the Democratic side is an expression of anger and frustration. Obviously, I agree more with the view that it wasn't big government per se that caused this crash, it wasn't food stamps or public employee unions that caused this crash, and that we should direct our anger effectively at how do we prevent the most powerful forces in our society from acting irresponsibly.

I do share your concern that money has become such a powerful factor in politics that it has a distorting effect, and it doesn't just have a distorting effect during election time. I mean, this financial regulatory reform bill that we passed, Dodd-Frank, we set up a Consumer Protection Bureau—a Consumer Finance Protection Bureau. Some of you may be familiar with this. The basic idea is pretty straightforward: that we should have somebody in the Federal Government who makes sure that you're not getting cheated when you take out a credit card, you're not getting cheated when you take out a mortgage, that you're not reading a bunch of fine print that you don't understand and that you've got to be a lawyer to decipher, that consumers should have somebody who's looking out for them in these complex financial transactions that are increasingly a part of our lives.

So we got this thing passed, and we've set it up, and now I've got millions of dollars in lobbyists and special interest donations trying to dismantle this thing before it even gets off the ground, and I can't get the Senate to confirm anybody to take the position. It doesn't matter how well qualified they are. So right now we've nominated the former attorney general of Ohio, who was also the treasurer of Ohio, who, when he was in Ohio, Republicans and Democrats said was a great consumer advocate, who, for the last year and a half, at great sacrifice to himself, has helped to set up this agency. And I've got the Republican Senate—44 of them,

which means that they can filibuster any appointment—saying, we're not going to appoint anybody to this thing unless you water down the enforcement capacities of this agency. Well, that's just—that is pure special interest lobbying at work. And that is not how our democracy should work. That is not how our democracy should work.

And as we go into this Presidential election, what you're going to see is unlimited money that's going to be going on the airwaves, and frankly, we're already seeing it. I mean, I think they've already spent about 20 million, 30 million dollars around the country going after me, and nobody even knows where this money is coming from. You got a bunch of front groups. They're usually called something having to do with freedom or—you know. We don't know who they are. They're not accountable to anybody.

Here's the good news though. I mean, right now the Supreme Court's made a ruling; we're not going to be able to change it. But slowly, surely, when the American people put their voice behind something, eventually the system responds. It may not always respond as fast as we want, but eventually it responds. And so if voters all across the country say, we want a different kind of politics, we will get a different kind of politics.

If all of you are enlisted in the fight to make sure that we've got a country that is looking out for middle class families and promoting common sense and thinking about the next generation and not just the next election and is thinking more about country than it is about party and is less interested in vilifying opponents than figuring out how to get something done, then we're going to start electing folks who do that.

And let me tell you, when we have that kind of politics, watch out. Watch out. You will not be able to stop this country. You will not be able to stop America from making sure that the 21st century is the American century just like the 20th century was. But I'm going to need your help, everybody.

God bless you. God bless America.

NOTE: The President spoke at 5:17 p.m. at Seed Savers Exchange. In his remarks, he referred to Diane Ott Whealy, cofounder, Seed Savers Exchange; Warren E. Buffett, chief executive officer and chairman, Berkshire Hathaway Inc.;

former Gov. Mario M. Cuomo of New York; former Gov. W. Mitt Romney of Massachusetts, 2012 Republican Presidential candidate; and Richard A. Cordray, Director-designate, Consumer Financial Protection Bureau.

Remarks at the Opening Session of the White House Rural Economic Forum in Peosta, Iowa *August 16, 2011*

Thank you so much. Well, it is wonderful to be back in Iowa, and thank you for arranging perfect weather these last couple of days. [Laughter] I have just been having a great time.

I want to first of all make just a few acknowledgments. Richard Avenarius, who is the mayor of Peosta, please—where are you, Mr. Mayor? Well, he was here. [Laughter] Give him a round of applause anyway.

This person I know is here—and I want to thank Northeast Iowa Community College for hosting us—Dr. Liang Wee is here, interim president.

I've got a number of members of my Cabinet who are here. All of them do outstanding work day in, day out. So I couldn't be prouder of them. First of all, this guy you should be a little familiar with because he used to be the Governor of this great State, Secretary of Agriculture Tom Vilsack; Secretary of the Interior Ken Salazar; Secretary of Transportation Ray LaHood; Secretary of Housing and Urban Development Shaun Donovan; and the Small Business Administrator, Karen Mills.

Well, this is an outstanding crowd, and I don't want to stand in the way of a lot of good work that's going to be done, so I'm going to just make some brief remarks at the top. We've got small-business owners here. We have farmers. We have ranchers, public servants, clean energy entrepreneurs, and community organizations from all across rural America. And I'm here because I want to hear from you and my Cabinet wants to hear from you.

There are two things that I know for sure: America is going to come back from this recession stronger than before. That I'm convinced of; I believe that. And I'm also convinced that

comeback isn't going to be driven by Washington. It's going to be driven by folks here in Iowa. It's going to begin in the classrooms of community colleges like this one. It's going to start on the ranchlands and farms of the Midwest, in the workshops of basement inventors, in the storefronts of small-business owners.

And that's why I'm here today. Obviously, we're going through tough times right now. I don't have to tell you that. A lot of folks are looking for work. Even if you have a job or a small business or a farm, you're maybe getting by with fewer customers or making do with fewer shifts or less money in tips. And for a lot of families in rural parts of the country, these challenges aren't new. For a long time—a decade, maybe longer—you've known what it means to face hardship.

But we also know that while times may be tough, our people are tougher. You know how to make it through a hard season. You know how to look out for each other in the face of drought or tornadoes or disasters, looking out for each other until we reach a brighter day.

And that ethic, that kind of honor and self-discipline and integrity, those are the values that we associate with small towns like this one. Those are the values that built America. And while we've taken some hits, this country still has the best workers, the greatest farms, the top scientists and universities, the most successful businesses and entrepreneurs in the world.

So as I've been saying over the last couple days, there's nothing wrong with this country. We'll get through this moment of challenge. The only question is if, as a nation, we're going to do what it takes to grow this economy and