

Remarks and a Question-and-Answer Session at a Town Hall Meeting at Millennium Steel Service, LLC, in Princeton, Indiana
October 3, 2014

The President. Hello, everybody! Hello, Indiana! It's good to be back close to home. Everybody, have a seat, have a seat.

Well, first of all, let me thank Henry and everybody for extending such a warm welcome. It's good to be back in Indiana. A couple people I just want to acknowledge very quickly: Your mayor, Bob Hurst. Where did Mayor Hurst go? He was here just a second—there he is right there. Give him a big round of applause. We've got your former Congressman, Brad Ellsworth, in the house. Say hi to Brad.

It is great to be back in Indiana. It's great to be in Princeton. And I want to thank Millennium Steel for hosting us here today. I'm here because you might have heard that today is National Manufacturing Day. You don't get the day off on National Manufacturing Day. [Laughter] But factories like this one, all over the country, are opening their doors to give young people a chance to understand what opportunities exist in manufacturing in 21st century in the United States of America. So I figured, what better place to celebrate Manufacturing Day than with a manufacturer?

And instead of giving a long speech, what I want to do today is just have a conversation with folks about what's happening in the American economy, what's happening in your lives, what's happening in manufacturing, and to talk a little bit about how we can continue to build an economy that works for everybody, that gives everybody who's willing to work hard a chance.

And I wanted to do that here, because in some ways, American manufacturing is powering the American recovery. This morning we learned that last month, our businesses added more than 236,000 jobs. Unemployment—the unemployment rate fell from 6.1 percent to 5.9. What that means is that the unemployment rate is below 6 percent for the first time in 6 years. And we're on pace for the strongest job growth since the 1990s—strongest job growth since the 1990s. Over the past 55

months, our businesses have now created 10.3 million new jobs.

Now that happens to be the longest uninterrupted stretch of job growth in the private sector in American history. And all told, the United States has put more folks back to work than Europe, Japan, and all other advanced economies combined. All of them combined, we've put more folks back to work right here in the United States of America.

So this progress that we've been making, it's been hard, it goes in fits and starts, it's not always been perfectly smooth or as fast as we want, but it is real, and it is steady, and it is happening. And it's making a difference in economies all across the country. And it's the direct result of the best workers in the world, the drive and determination of the American people, the resilience of the American people bouncing back from what was the worst financial crisis since the Great Depression. And it's also got a little bit to do with some decisions we made pretty early on in my administration.

So, just to take an example, many of you know that the auto industry was really in a bad spot when I came into office. And we decided to help our automakers to rebuild, to retool, and they're now selling new cars at the fastest rate in about 8 years. And they're great cars too. And that's helped a lot of communities all across the Midwest. And that's just one example of what's been happening to American manufacturing generally.

About 10, 15 years ago, everybody said American manufacturing is going downhill, everything is moving to China or other countries. And the Midwest got hit a lot harder than a lot of places because we were the backbone of American manufacturing. But because folks invested in new plants and new technologies and there were hubs that were created between businesses and universities and community colleges so that workers could master and get trained in some of these new technologies, what we've now seen is manufacturing driving

economic growth in a way we haven't seen in about 20, 25 years.

Because of the efforts that we've made, manufacturing as a whole has added about 700,000 new jobs. It's growing twice as fast as the rest of the economy. New factories are opening their doors. More than half of manufacturing executives have said they're actively looking to bring jobs back from China. Our businesses are selling more goods overseas than any time in our history. And the reason this is important is not just because of some abstract statistic, manufacturing jobs have good pay and good benefits.

And they create a ripple effect to the whole economy, because everybody who's working here at Millennium Steel, because you're getting paid well, because you've got decent benefits, that means that the restaurants in the neighborhood are doing better. It means you can afford to make your mortgage payments and buy a new car yourself and buy some new appliances. And you get a virtuous cycle in which all businesses are doing better.

To most middle class folks, the last decade was defined by those jobs going overseas. But if we keep up these investments, then we can define this decade as a period instead of outsourcing, insourcing; bringing jobs back to America. And when you ask business executives around the world, what's the number-one place to invest their money right now, for a long time, it was China. Today they say the best place to invest money is here in the United States of America. [*Applause*] Here in the United States of America.

So there is a lot of good stuff happening in the economy right now. But what we all know is, is that there's still some challenges—there's still some challenges—because there are still a lot of families where somebody in the family is out of work or isn't getting as many hours as they want. There's still a lot of folks who, at the end of the month, are having trouble paying the bills. And wages and incomes have not moved up as fast as all the gains we're making in jobs and productivity. Too much of the growth in income and wealth is going to the that they need to be rebuilt. The only thing

very top; not enough of it is being spread to the ordinary worker.

And that means that we've still got some more work to do to put in place policies that make sure that the economy works not just for the few, but it works for everybody, and that if you work hard you're going to be able to pay the bills, you're going to be able to retire with some dignity and some respect and you can send your kids to school without having to worry about it. That's what we've got to be working on: making sure that no matter who you are, where you started, you can make it here in America. That's what the American Dream is all about.

Now, let me just close by saying a couple of things that I know would make a difference if we were doing them right now to make the economy grow even faster, to bring the unemployment rate down even faster. And if employers are hiring more workers and the labor market gets a little bit tighter, then employers end up paying a little bit more and wages go up a little bit more, and that means people have a little more money in their pockets, and then they're spending more of it on businesses' products and services, which means then even more workers get hired. There are some things we could do right now that would make a difference.

We should be investing in roads and bridges and ports and infrastructure all across the country. We've got a lot of stuff that was built back in the forties and the fifties that needs to be updated. And if we're putting construction workers back to work, that means they also need some steel. They also need some concrete. It means you need engineers doing the work and you need suppliers. And all that would give a huge boost to the economy and make it easier for businesses to deliver their products and services around the world. It would be good for our economy. That's something that we should be doing right now.

And I've been putting proposals forward in front of Congress to say, let's go ahead and just start rebuilding all kinds of parts of America that need rebuilding. And nobody disagrees that's holding us up right now is politics.

We should be raising the minimum wage to make sure that more workers—[*applause*]—if they are working full time shouldn't be living in poverty. And we've got legislation going on right now that would call for a minimum wage of \$10.10 an hour, which would mean that if you work full time, you're not living in poverty, you can raise a family. And the good news is, about 13 States and a bunch of cities around the country have gone ahead and done it without Congress. But it would sure help if Congress went ahead and did it as well. Because right now, since I, 2 years ago, called for a hike in the minimum wage, about 7 million people have seen their incomes go up, but there are still about 21 million people who would stand to benefit if we had a national minimum wage.

And by the way, when you hear folks saying, well, if you raise the minimum wage, that's going to be fewer jobs, it turns out, the States that have raised the minimum wage have had faster job growth than the States that haven't raised the minimum wage. So this is something that would benefit families, but again, if folks have more money in their pockets, they're working hard, they go out and spend it. And that ends up being good for business, not just for the workers involved.

We should be making sure that women are getting paid the same for—as men for doing the same work. That's something, by the way, that should be a no-brainer for men too, because—[*laughter*]—I remember when Michelle and I were both working, I was always happy if she got a raise. I wanted to make sure that she was getting paid the same—fairly because it's all one household, and the more and more women that get into the workforce, the more families are reliant on two incomes in order to make ends meet. Plus it's just fair, and it's the right thing to do.

So there are a number of steps that we can take to make unemployment go down faster, to make sure that wages are rising faster, and that would benefit everybody. And I'll just close with this comment. If you look at American history, the times we grow fastest and do best is when we're growing the economy from the middle out. When middle class families are

growing, when working folks can get their way into the middle class, that's when the whole economy does well. When you have an economy where just a few are doing well and a lot of other folks are left, no matter how hard they work, still just scraping to get by, the economy doesn't get the same kind of momentum.

And if you think about what America is about, what the American Dream is about, it's always been that everybody should have opportunity. It shouldn't matter how you started out if you're willing to work hard, if you have good values, if you take responsibility. And that's the kind of economy that we want to build. And we can build it, and manufacturing is going to be right smack dab in the middle of that effort, we've got to continue to build on the success we have. We're not going to rest on our laurels. We're going to keep on going until every single person who wants to find a good job out there can get a good job, and that America is competing against everybody else so that 21st century is the American century, just like the 20th century was.

All right?

Here is how we're going to do this. I'm going to just grab this mike. Anybody who wants to ask a question or make a comment just raise your hand. There are probably some folks with mikes in the audience. Wait for the mike so everybody can hear you. Stand up, introduce yourself. Try to make your questions kind of short, and I'll try to make my answers kind of short. That way we can get more folks in. All right?

All right. Who wants to go first? Oh, and I'll go boy, girl, boy, girl to make sure everybody—[*laughter*]—it's kind of fair, kind of even. All right.

This young man right here. Introduce yourself. Is it working? There you go.

Infrastructure/Smart Grid Technology/Air Traffic Control System

Q. All rightly. Thank you for coming out today, President Obama. I'm with the University of Southern Indiana Manufacturing Club out here—

The President. Excellent.

Q. —and my question for you is, can you share some specifics about the Rebuild America Act? I know you talked a little bit about that.

The President. Well, we have about \$2 trillion in deferred maintenance. I don't have to tell you because some of you have probably hit some potholes and tried to figure out what the heck is going on, why aren't we fixing that road? But it's not just the traditional roads and bridges. It's also the infrastructure we don't see: sewer systems, water systems. A lot of them are breaking down. Gas lines that we've been seeing in some big cities, those things start wearing out, suddenly, they actually pose a threat if they explode because they're just not in good shape.

There's a whole bunch of new infrastructure that we should be building. So I'll give you a good example, is our electricity grid. The way we transmit power, if we've got old electricity grids, what happens is a lot of the electricity leaks, a lot of the power leaks in the transmission from the power plant to, let's say, a factory like this one. And the more it leaks, the more that's driving up prices, because it's not as efficient as it should be and it's more vulnerable to blackouts.

And in fact, if we built a smarter power grid, what's called a smart grid means that not only is it not leaking power, but it's also sending power in efficient ways during peak times so that we end up using less energy, which drives down consumer prices and is good for the environment.

I'll give you one other example that I know everybody here will appreciate. We have an old, archaic air traffic control system. Some of you heard about what happened in Chicago. Some guy got mad he was being transferred to Hawaii. Now, let me tell you, I've been to Hawaii. I don't know why he was mad about that. [Laughter] He sets fire to some of the facilities there, and suddenly, folks couldn't get in and out of Chicago for a couple of days. In fact, I was in Chicago yesterday—day before yesterday. I had to land in Gary because O'Hare was still somewhat restricted.

But even setting aside that, it turns out that if we revamped our whole air traffic control

system, we could reduce the number of delayed flights by about 30 percent. We could reduce the amount of fuel that airlines use by about 30 percent, which means we could lower ticket prices by a whole bunch. It means that you wouldn't have 2-hour waits in the airport. And if you're flying for business, that's going to save you time and money. If you're just trying to get home to see your family, it means time spent with family instead of sitting in an airport, buying stuff that's really expensive. [Laughter]

The whole economy would be more efficient if we do it. So the good news is, it's the best time for us to rebuild our infrastructure because there are still a lot of construction workers out of work, a lot of contractors, it's not like they've got so much business, which means they can do the work on time, on—under budget. Interest rates are low. If we spent, let's say, the next 10 years just saying we're just going to rebuild all across America, old infrastructure and new infrastructure, then not only would we give the economy a boost right now, but what we'd also do is lay the foundation for even more economic growth in the future.

It's a smart investment, and we should be doing it. So what I've proposed is, let's close some tax loopholes that exist right now that in some cases are incentivizing companies to send money overseas and profits overseas instead of investing here in the United States of America. Let's close those loopholes that aren't good for creating jobs here. Let's take some of that money, let's use that to rebuild our infrastructure. Makes good sense.

But Congress hasn't done it yet, not because it's not a good idea. Infrastructure is not partisan. That's not Democratic or Republican thing, that's just a commonsense thing. Eisenhower built the Interstate Highway System. Lincoln—first Republican President—helped build the transcontinental railroad. Traditionally, everybody has been in favor of infrastructure because it powers our economy. It's part of what made us an economic superpower. We've got to get back to that kind of mentality.

All right. Young lady right here.

Minimum Wage

Q. Mr. President, you mentioned an increase to the minimum wage. How do you counter an opinion that increasing employee wages would ultimately increase the selling price of goods and services, thus negating any increase to the employee's standard of living?

The President. Yes. No, it's a good question. It's interesting that if you look at the studies that have been done, first of all, most employers pay more than the minimum wage already. Typically, minimum wage are in certain sectors of the economy. They're disproportionately women who are getting paid the minimum wage. But unlike what people think, the majority of folks getting paid the minimum wage are adults, many of them supporting families. The average age of somebody getting paid the minimum wage is 35 years old. They're not 16.

So, in those States, or where you've had one State pass a hike in the minimum wage, State right next door doesn't, and you kind of look at what's happening along the border where you think that people would be kind of influenced—maybe they shop where the prices are cheaper, or businesses would move over to the place where there isn't a minimum wage—it turns out that actually it doesn't have that much of an impact. It has an impact on the families. It generally does not have a huge impact in terms of prices, and it doesn't have an—another argument that's made is folks will hire fewer people because salaries are higher. Well, it turns out, actually, that's not generally what happens. It's just that if everybody has to raise the minimum wage, then everybody adjusts. And in some cases, because of competition, they're not going to be able to raise their prices.

But you're getting to a larger point that I think has plagued the American economy for some time, and that is that business is—has learned how to be really profitable and produce a lot of goods with fewer and fewer workers, partly through automation. And sometimes, that does drive down prices. The problem is, it also drives down wages. And it's driv-

ing—driven wages down faster, in many cases, than prices.

I mean, if what you're worried about most is low prices, then presumably, we could have everything made in low-wage countries overseas. They'd get shipped back here, but it doesn't do you any good if a pair of sneakers is really cheap and you don't have a job. So I think the goal here should be prioritizing, number one, making sure people have work; number two, making sure that that work pays well.

And if people have good jobs and they're getting paid a decent wage, then businesses are the ones who have to compete for your business. They're still going to have to keep prices down relatively low because they're going to have to compete for—against other businesses. If they raise their prices too much, somebody is going to come in and offer a better deal. And consumers have gotten better, partly because of the Internet. They know what prices are there.

So there's never been greater competition out there. The problem is right now that all that competition is on the back of workers. Businesses' profits are through the roof. There was a report this week that showed that corporate balance sheets in America are as strong as they've been in history. It's part of the reason why the stock market is doing great. So it's not as if companies don't have some room to pay their workers more. They're just not doing it. And a greater and greater share has been going to the corporate balance sheet, and a—less and less of a share is going to workers.

So don't let folks tell you that companies right now can't afford to provide their workers a raise. The reason they're not giving their workers a raise is because, frankly, they don't have to, because the labor market is still somewhat soft, and people are afraid that, if I leave this job, I may not find something.

The good news is, as the unemployment rate comes down, there are fewer workers looking for jobs, and that means companies have to start bidding up wages a little bit. The market will take care of some of this. But having a minimum wage that is a little bit higher, that's also going to help.

Last example I'll give, by the way, Costco—I assume there are some folks here shopped at Costco before. Costco has the best prices around, right? Starting salary for a cash register operator: \$11.50, maybe it's \$11.35. Starting wage. And by the way, even before the Affordable Care Act, Costco gave everybody health care. But they've been growing just as fast as folks who don't pay the minimum wage and don't provide health care benefits. Their stock has done great. The difference is they're spreading more of the profits to their workers, which is good for the economy as a whole. And by the way, when you walk into Costco, everybody is pretty cheerful because they're feeling like they're getting a fair deal and that the company cares about them.

All right? Yes. We—here, we've got a mike coming—

Health Care Costs/Patient Protection and Affordable Care Act

Q. My name is Mihir Paranjabe, I'm the general manager at Millennium Steel. We're very honored to have you. One of the questions I had is about the health care costs. We are seeing almost a double-digit increase in health care costs every year. So do you think that trend is going to go down? And what can we do to control that trend?

The President. I think that's really interesting. You're going to have to talk to Henry because—[laughter]—no, no, no, this is serious. The question is whether you guys are doing—whether you guys are shopping effectively enough. Because it turns out that this year, and in fact over the course of the last 4 years, premiums have gone up at the slowest rate in 50 years. So health care premiums have actually slowed down significantly. And it is having an effect both on businesses and families and the Federal debt. Because most of the Federal deficit and the Federal debt, when folks talk about we've got to drive down the debt, we've got to do something about the debt—it turns out that most of the Federal deficit and the Federal debt over the last decade has come from health care costs going up so high, which means Medicare and Medicaid costs start go-

ing up. And that's gobbled up a bigger and bigger share of the Federal budget.

Because health care costs are going up much more slowly than expected, so far we anticipate we're going to save about \$188 billion over the next 10 years and reduce health care costs.

So the issue now is, what can we do to make sure that you at Millennium are shopping and seeing more competition? Because the only problem with the health care market is, sometimes, it's different in different pockets of the country, depending on how many carriers there are. And what we're trying to do is to make sure that there's more competition driving down cost when it comes to both the businesses who are trying to buy health care for their employees, but also folks who don't get health care on the job and are just having to buy it on their own.

That's part of what the Affordable Care Act is all about. Now, some of you—the Affordable Care Act, by the way, is also known as Obamacare. For a while, everybody was saying—sort of using that as kind of an insult. I'm feeling pretty good about it being called Obamacare. I suspect that about 5 years from now when everybody agrees that it's working, then they won't call it Obamacare anymore. [Laughter] That's okay.

But part of the idea—part of what we did there is we set up what's called these marketplaces, these exchanges, where individuals can go online and shop. And as you know, the website was really bad for the first 3 months. It's now in really good shape. We've signed up 10 million people to get health coverage, many times for the first time. And we're giving them tax credits to help lower the cost even more. But we're also setting up a network for businesses to be able to shop for health insurance.

And what's happened—I talked about this yesterday—right now, on average, across America—so it may not be true in every single market, but across America, on average, premiums have—if it had not been for this drop in health care inflation, premiums would probably be about \$1,800 higher per family than they actually have turned out to be. Now, you

think about that—\$1,800, that's money that's in your pocket that otherwise would be going to you paying for your health care premiums. That's like an \$1,800 tax cut for every family that's got health insurance. And that's good news. But we've got to make sure everybody takes advantage of it.

So I'm going to make sure—are you in charge of buying health care? You are? All right, so what I'm going to do is, I'm going to make sure that you talk to some of our health care market folks. I'll bet we can get you a better deal. All right? We'll see if we can save you a little money.

All right, all right. Young lady right here in the jacket.

Rural Economy/Agriculture/Trade/Education/Infrastructure

Q. Good afternoon. My name is Conner Perry. I'm in the eighth grade at the Lexington School in Lexington, Kentucky.

The President. Well, it's so nice to meet you.

Q. Thank you.

The President. How old are you? You're in eighth grade, so you're just tall and pretty, just like Malia and Sasha. There you go.

Q. I was wondering, what are some actions we could take to put people in rural America to work?

The President. That's a great question. The—you know, the rural economy has actually done extremely well compared to the rest of the economy over the last couple of years. The main reason for it, first of all, we've got the best farmers in the world, and we're the most productive agricultural system in the world. So we just—our crops are really good, and we produce a lot. And the weather has been pretty decent. I just talked to my friend—where is Scates? There he is. Runs—good buddy of mine—the Scates farm over on Illinois side. He said best crops he's seen in a while, huh? Ever. So that's the good news.

But what's also helped is that we have increased our agricultural exports, sending our outstanding products overseas at a record pace. And I should introduce, by the way, our Secretary of Commerce Penny Pritzker is right here.

That's Penny. And one of Penny's most important jobs is going around the world and trying to open up new markets for agricultural goods, one of our biggest exports.

And so we've got to keep on making sure that if we have the best crops, the best products at the lowest price, that we can get into these markets. A lot of countries protect their markets and their farmers from competition by closing their markets, and—even though they're selling stuff to us. And my general attitude about trade, I'm a big believer in trade, but my attitude is, it's got to be two way. If we're going to buy your cars or we're going to buy your TV sets or whatever else you're selling, then you've got to be able to buy American wheat and corn and beans. And Penny has done a terrific job. And that's part of the reason why we've seen record exports. And that helps the agricultural economy.

That's number one. But number two, we've also got to diversify the rural economy so it's not just dependent on agriculture. And that means, for example, investing in things like biofuels and clean energy. We are at the threshold of being able to create new energy sources out of food—out of not just crops that we grow—corn and ethanol—but also stuff that we usually throw away, like the corn stalks instead of the corn. And the more we invest in biofuels, clean energy, that can make a big difference in the rural economy.

So that's another area where we can make progress. And then, the rural economy should—just like here in Princeton, we've got to make sure that we are offering up opportunities for manufacturers to come back in to look at some of these rural sites, where you know the people there work hard and quality of life is high, but oftentimes, international investors don't know about some of these rural communities. And so Penny has been helping to advertise. We've got a whole program called SelectUSA, where we go around and we help towns, mayors, county chairmen, it's—local chambers of commerce invite investors from Japan and Singapore and Germany—come invest here in the United States of America.

Because what you want is an economy that isn't just relying on one thing, but it has a bunch of different components to it, so that if, say, you have a bad crop one year, the whole economy of that area doesn't just collapse. And that can make a big difference.

But if we're going to be able to attract investment into rural America, there are at least two things that have to happen. Number one, we've got to invest in education to make sure that the young people in rural America have the skills for today's jobs. And that includes not just K through 12, but also community colleges, which are really a crown jewel. Community colleges can be so powerful in just training folks. They may not go to a 4-year college, but if they can get some technical training, they're suddenly ready for that job. And that is really attractive to investors. If they know they've got good workers in a site, that's one of the most important things they're looking for.

And the second thing is the thing I talked about earlier, which is infrastructure. Part of the problem with rural communities is, they're a little more isolated. All the more important, then, that our rail, our roads, our airports, that they all work, and that they've got broadband connections and Internet connections in order to make sure that they can access international markets.

All right? Great question. All right, got—it's a gentleman's turn. Right here. Right here in front.

The President's Wedding Anniversary

Q. Hello, Mr. President. Thank you for coming. I hope I've got this right: It is your wedding anniversary today?

The President. That is correct.

Q. So happy anniversary to you and Michelle.

The President. Thank you, sir. Thank you. Thank you. Twenty-two years she's been putting up with me. [Laughter] The—I had a young man, a friend of mine just got married. And I told the bride—wonderful young lady—I said, "It takes about 10 years to train a man properly." [Laughter] "So you've got to be patient with him. Because he's—he'll screw up a

bunch, but eventually we learn. It's just it takes us a little longer. We're not as smart." So Michelle has been very patient with me.

Thank you very much. That's very kind of you.

Young lady right here.

Q. Hi, President Obama. I'm from Indiana State University. [Applause] Right here. Representing.

The President. Yay, Indiana State!

Coal Industry/Natural Gas/Oil Production/Clean Coal Technologies

Q. I just had a question. Recently, on the media, we have been hearing a lot about the EPA system and the war on coal. What are your feelings on that?

The President. Some of that is—some of it's hype and politics. And that's sort of the nature of our politics these days. But there's a real issue involved. Less and less of our power is coming from coal.

Now a lot of people think that's because of environmental regulations. And the truth of the matter is, is that there's some environmental regulations that have had an impact mainly because what it's said to the power plant operators is, you've got to be more efficient, and you can't send as much pollution into the air. So, if you're using coal, you've got to figure out how can we get smart coal—smart coal technologies that capture some of the pollution that's being sent up, put it underground, store it. Some of that technology is developing, but it's not quite there yet.

But actually, the main reason that power plants in America are using less coal is because natural gas is so cheap. So the real war on coal is natural gas, which, because of new technologies, we are now extracting at a rate that is unbelievable. There's about a hundred years' supply of natural gas underground here in America. We are now the number-one natural gas producer in the world. And by the way, we're also producing more oil than we import for the first time in almost two decades.

So some people don't realize—you know who the number-one oil producer in the world is? It's us, the United States of America. So

we're producing more oil than ever. We're producing more natural gas than ever. And natural gas, we're producing so much that when new power plants get built, it's cheaper for them to run on natural gas than it is on coal. So that obviously causes some hardship in communities that traditionally relied on coal.

There are two things we need to do. Number one is—and my administration has been hugely supportive—we've put a lot of money into developing these new technologies to make sure we can burn coal cleaner than we have. And the second thing that we need to do is to make sure that some of the new opportunities in clean energy and in natural gas and other energy-related industries, that they locate in places that used to have coal or used to be primarily coal country.

And because the trend lines are going to be inevitable. Because if you burn coal in a dirty way, that's going to cause more and more pollution, including pollution that causes climate change. You're going to see more and more restrictions on the use of coal not just here in the United States, but around the world, which means that we've got to get out in front of that and make sure that we've got the technologies to use coal cheaply. And we've got to be able to send those technologies to other countries that are still burning coal.

Because there are going to be countries like China and India and others that still use coal for years to come. They're poor, and they're building a lot of power plants quickly. They don't have as much natural gas as us, so they're going to be interested in figuring out, how can they use their coal supplies and how can they import our coal. But if we're doing a good job giving them technologies that allow them to burn it cleanly, then it's a win-win for us. Not only are we able to then sell coal to them, but we're also selling the technology to help them burn it in the cleanest way possible.

We've been making those investments, and we've got to keep on making those investments in order for us to get ahead of the curve. All right?

Great question.

All right. Gentleman back there in the tie. There aren't that many ties in here, so there you go.

Manufacturing Industry/Research and Development/Advanced Manufacturing Hubs/National Manufacturing Day

Q. Thank you. Hi, Mr. President. My name is Ed Youdell, I'm with the Fabricators and Manufacturers Association. We're one of the founding partners of Manufacturing Day, so thank you for your support.

The President. Thank you.

Q. I'd like to ask you about R&D. U.S. manufacturers do more R&D than any country in the world. It makes us productive. It makes us innovative. Could you talk about policies and ideas to continue to support R&D activities to promote and accelerate manufacturing? Thank you.

The President. The—when we think about manufacturing, we always think about the traditional guy with the hard hat and the glasses, and there are sparks flying, and it's noisy. And these days you go into a manufacturing plant like this one, first of all, it's clean, it's quiet, and so much of it is running on computers and automation and new systems. So, if we're going to stay competitive in manufacturing, we've got some terrific advantages.

Energy, by the way, is one of our biggest advantages because we have some of the cheapest energy in the world. That's part of why a lot of companies want to relocate here in the United States. But we've also got to stay ahead of the curve in the new technologies for the new kinds of manufacturing. Every budget I've submitted has called for an increase in our R&D budget, our research and development budget. And we've specifically been interested in putting more money into research and development in manufacturing.

So, in fact, today I announced the fifth—the proposal for the fifth manufacturing hub that we're creating. We want to actually create about 15 more of them after this. And what it's doing is, it's linking manufacturers with universities and researchers to start developing some

of the new technologies that we know are going to be key to the future.

So, for example, we already created a manufacturing hub around 3-D printing. Everybody know what 3-D printing is? It's actually pretty interesting. So, basically, the idea is, is that using software, you can manufacture just about anything from a remote location just by you send the program to some site and then the machine builds whatever it is that you designed on the computer from scratch. And we know that over time, this is going to be more and more incorporated in the manufacturing process. But we want to make sure that all that stuff is done right here in the United States of America. So we created a hub for that.

Today I'm announcing a \$100 million competition to create a new hub around photonics—I had to ask Penny to make sure I pronounced it right. But this is basically the science, the technology around light which is used to transmit data and information and also is used in the manufacturing process for everything from lasers to some of the stuff that the Department of Defense is doing.

And what these hubs allow us to do is, instead of having a slower process where somebody in some lab coat somewhere figures something out and then writes a report on it, and then maybe 5 years later, some manufacturer says, "Huh, I wonder if I could tinker around with that and use that in my manufacturing process," you have a system where the businesses and the researchers are working on it at the same time, which speeds up the discovery process and means we're moving from discovery to application a lot faster.

Now, Germany has about 60 of these manufacturing hubs, and so far I've been able to create five of them—or four of them. This is going to be the fifth. And as I said, I want us to make sure we're doing a lot more than that.

So that's just one example of why our investment in manufacturing research and development is going to be so critically important. It allows us to keep our lead, because America has always been the top innovator in the world. That's the reason why our economy historically has done so well, is because we invent stuff

faster and better than anybody else. And if we lose that lead, we're going to be in trouble.

Can I just say one last thing about—because I appreciate you working on this National Manufacturers Day. For the young people here and anybody who is listening, the reason we set up this National Manufacturing Day is because too many young people do not understand the opportunities that exist in manufacturing.

Because so many plants were shut down and so much offshoring was taking place, I think a lot of people just kind of gave up on the idea of working in manufacturing. The problem is that for a lot of young people, manufacturing offers great opportunities.

There's a statistic—I was in Wisconsin, somebody told me an amazing statistic, which is, the average age of a skilled tool-and-die operator in Wisconsin is 59 years old. Now, these folks are making 25, 30 bucks an hour, benefits. You are solidly middle class if you have one of these jobs. And the workforce is getting older and older in that area, and young people aren't coming in to replace them.

So the idea behind National Manufacturing Day, we got 50,000 young people going into factories all across the country and learning about, look at all the jobs that you can get in manufacturing: engineering jobs, but also jobs on the line, technical jobs. All of them require some skills. All of them require some higher level learning. But not all of them require a 4-year degree. You could make a good living. So that's part of what we're trying to encourage: getting young people to reorient.

And we're actually also talking to high schools, saying to them, try to encourage young people to think about manufacturing as a career option. Because not everybody wants to sit behind a desk, pushing paper all day long. And different people have different aptitudes and different talents and different interests. And if we can set up a situation where high schools are starting to connect to manufacturing, then a lot of young people can start getting apprenticeships early, realize how interesting some of that work is. Then they have a better idea, if they do end up going to college, it's a little

more focused around the things that they're actually going to need in order to succeed in manufacturing.

So thank you for participating in that. It's really important.

All right. We've got—how much more time do we have? I just want to make sure I'm not—we'll make it two. We'll make it two. All right, young lady right there. Yes, right—you, yes. All right, hold on, let's make sure we get the microphone here.

Wage Equality/Childcare/Workplace Flexibility

Q. Hi. My name is Faith Cooper. I am a secondary English education student at USI. And I just want to say thank you for coming here today. It's such an honor to hear you speak.

Being in the job force in the next couple of years, I am worried about equal pay as a woman. So you've talked a little bit about that. How can we get there? What can we do to get equal pay for women?

The President. Well, it's a great question. Here's the statistics, first of all. Women, on average, make 77 cents for every dollar a man makes. Now, what folks will tell you sometimes is you can't really compare the situation because a lot of women by choice end up working less when they have kids and decide to stay home, and so it's not the same thing. But here's the problem. It turns out that actually in a lot of companies sometimes it's still the case that women are getting paid less than men for doing the exact same job.

And so one of the first bills I signed was called the Lilly Ledbetter bill. And Lilly, who is a friend of mine, she was doing a job for 25 years and about 20 years into it just happened to find out that for that whole time she had been getting paid less for doing the exact same job that a man had been doing. And when she tried to sue to get her backpay, the Court said, well, it's too late now because the statute of limitations had run out. She said, well, I just found out. That doesn't matter.

So we changed that law, and that was the first thing that we did. And what we've also done is, through executive action, what I've said is any Federal contractor who does busi-

ness with the Federal Government, you've got to allow people to compare their salaries so that they can get information about whether they're getting paid fairly or not.

There is a fair pay bill that is before Congress, but so far it's been blocked by the House Republicans. It hasn't come up for a vote. We need to keep putting pressure on them to get this done. This is just a matter of basic fairness. I don't think my daughters should be treated any different than somebody else's sons if they're doing a good job. They should get paid the same.

But it's also a matter of economics, as I said before. More and more women are the key breadwinner in their family, and if they're getting paid less, that whole family suffers. So this is something that we have to take care of.

I do want to mention, though, going back to the first argument, people saying that women make different choices when they have children. Well, part of the reason they have to make different choices is because we don't have a good childcare system. It's because we don't have a good family leave policy. A child gets sick; you need to take care of a sick child. You can get unpaid leave under the Family Medical Leave Act. But what if you can't afford to give up that paycheck that day? Or you've got an ailing parent; they have to go to the doctor one day. They don't drive. You need to drive them. You need a day off. But if you take the day off, now you can't pay your rent.

So there are family-friendly policies that we could put in place, and some States are doing so: improving childcare, especially early childhood education, by the way, which we know every dollar we invest in that makes our kids do better in school the whole way. So it's good for our education system, but it's also just good for parents.

Somebody mentioned my wedding anniversary. I can tell you the toughest time when we were married was when our kids were still small and I was working and Michelle was working. And sometimes, I'd be out of town, and the babysitter doesn't show up, and suddenly, Michelle is having scramble. And I

promise you when I get home, it's rough. [Laughter]

But we were actually—we were professionals. We were both lawyers. We were in a better position to get help than most families, but it was still hard. So the more we do on early childhood education, high-quality day care, making it affordable for families, family leave, those family-friendly policies that will help make sure that women are able to take care of their families and pursue their professional careers and bring home the kind of paycheck that they deserve—we need to do both. It's not a choice between one or the other. We have to do all those things.

I've got time for one more question. Gentleman, right here in the blue.

Minimum Wage/Economy

Q. Mr. President, I would like to thank you also for visiting. My name is Randy Perry, this young lady's father. I do have a small manufacturing company in rural America. But how do you speak to us small manufacturers that want to raise the minimum wage, but we have to compete?

The President. Well, as I said before, the first thing we need to do is to make sure that the economy as a whole is strong because, remember what I said? When the economy is strong as a whole, there is more demand for workers. That gives workers more leverage to get pay raises. The same is true for businesses. When demand is high for whatever product you're producing, then you can afford to charge a little bit more.

And the truth of the matter is, is that for a lot of small businesses, there's going to be more pressure than large businesses when it comes to wages because you just don't have as much margin for error. But overall, our economy is going to do better and small businesses do better when there is greater demand out there for products and services. And there's greater demand for products and services if people have money in their pockets.

And one of the biggest problems we have in our economy right now—and this includes one of the biggest problems for small businesses—

is that when a bigger and bigger share goes to folks at the top, a lot of that money, they just don't spend.

I had lunch with Bill Gates the other day. Now, Bill Gates has got a lot of money. [Laughter] And he's doing great things with it, by the way, doing great charitable work. But the truth of the matter is, is that if Bill Gates gets an extra million dollars, it's not like he's going to spend more money on food or go and buy an extra car or buy a new refrigerator, because he's already got everything he needs.

But if somebody who is a low-wage worker gets a raise, first thing they're going to do is they're going to spend it, maybe on a new backpack for the kids or finally trade in that old beater for a new car. And that drives the economy. It picks it up. It boosts it. And when that happens, then more demand exists for services and goods. And that means that all businesses are going to do better, including small businesses. And that then gives you the higher profits, which then allows you to pay your workers a little bit more. You get in this virtuous cycle.

And this is part of the argument that I've been having with my good friends in the Republican Party for quite some time. If you look at the policies we've been pursuing and proposing—investing in research and development, rebuilding our infrastructure, making sure that college is more affordable, improving childcare, fair pay legislation, increase the minimum wage—I can point to evidence that shows that that's going to put more money in the pockets of middle class families. That's going to increase growth at a faster pace, and the economy as a whole is going to do better.

And their main response to me typically is two things. One is, they'll say we've got to get rid of regulations. Except the problem is, for example, the last big crisis we had was precisely because we didn't have enough regulations on Wall Street, and folks were selling a bunch of junk on the market and doing reckless things that ended up costing everybody something.

And then, the other—the second argument that they make is we need more tax cuts for folks like me who make a pretty good living,

folks at the top. And I've got to tell you, there's no evidence that that's going to help middle class families. There's no evidence for this trickle-down theory that somehow another tax cut for folks who are already making out like bandits over the last 20 years is going to somehow improve the prospects for ordinary families. It just doesn't exist. They keep on repeating it, but they don't show that that's actually going to help the economy. That's not going to help you. It's not going to help you. And it's not going to help Millennium. And it's not going to help your business.

I made a speech yesterday at Northwestern, and what I just said is just look at the facts. Since I've been President, unemployment has gone from—is down from 10 percent, down to now 5.9. The deficit has been cut by more than half. Our energy production is higher than it's ever been. Our health care costs are slowing. More people have insurance. High school dropout rate has gone down. Graduation rate has gone up. College attendance rate has gone up. Our production of clean energy has doubled. Solar energy has gone up tenfold. Wind energy has gone up threefold. Exports—we export more than we ever have in history. Corporate balance sheets are doing great. Stock market, alltime highs. Housing market beginning to recover. There's almost no economic measure by which the economy as a whole isn't doing significantly better than it was when I came into office.

Now, that's—[*applause*]*—*those are just facts. You can look them up. I'm not making it up. That's one thing about being President: If I stand here and say it, all these folks are filming me, so they'll go and check. [*Laughter*] So that's the truth. But what is also true is that wages and incomes have continued to be flat even though the economy is growing and businesses are making more money. So what that tells me is, the one thing that's holding things back, the one thing that people are still con-

cerned about, and the one thing that if we could change would really give more confidence to the economy and boost it, is if wages and incomes start going up a little bit.

If all the productivity and profits, if we start sharing that a little bit more with more folks, and ordinary families start feeling like they've got a little bit of a cushion, that will be good for everybody. Because that's the one thing that really we haven't seen as much improvement on as we need. And so what everybody should be asking is, how do we increase wages, how do we increase incomes? Because if we do that, things are going to better.

And there are pretty much just a handful of ways to do it. Number one, you make the economy grow even faster so the labor market gets tighter. Number two, you pursue policies like a higher minimum wage or making sure that families are able to get childcare, you're driving down health care costs, the kinds of things that affect people's pocketbooks directly. Those are the things that I've been pursuing since I've been President. And those are the things I'll continue to pursue as long as I have this great privilege of being President.

Thank you so much, everybody. God bless you. Appreciate you.

NOTE: The President spoke at 2:17 p.m. In his remarks, he referred to Henry Jackson, chief executive officer, Millennium Steel Service, LLC; Naperville, IL, contractor Brian Howard, who allegedly set fire to the Chicago Air Route Traffic Control Center in Aurora, IL; Patrick Scates, general manager, Scates Valley Irrigation, and former aide to the President during his tenure as U.S. Senator; Lilly Ledbetter, former employee, Goodyear Tire and Rubber Co. plant in Gadsden, AL; and William H. Gates III, chairman, Microsoft Corp. The related Proclamation 9184 of October 2 is listed in Appendix D at the end of this volume.