

**Remarks by the President**

**Town Hall Meeting in Nashua, New Hampshire**

**Nashua High School North, Nashua, New Hampshire**

**February 2, 2010**

THE PRESIDENT: Thank you. Thank you. Hello, Nashua! Thank you very much. Thank you, guys. Thank you so much. Everybody, please have a seat. Thank you. Well, it is --

AUDIENCE MEMBER: We love you!

THE PRESIDENT: I love you back! (*Applause.*) It's great to be here. Great to be back in New Hampshire.

Now, some of you may remember, I've spent a little time in this state. (*Applause.*) I've had beers at the Peddler's Daughter. (*Applause.*) I manned the scoop at ice cream socials from Dover to Hudson. I've walked Main Street in Concord, visited with folks in all 10 counties. I even once flew into the airport in Milan, which has got to be one of the only airports with a functioning wood stove. (*Laughter.*) We spent a bunch of times in this gym, caused traffic jams several times. And just have a lot of good friends here in this state, here in this city, and here in this -- here in this high school. So I'm just grateful to all of you for taking the time to be here.

I've got a couple of special thank yous to say. First of all, please thank Tim Dining for the wonderful introduction and for the great work that he's doing day in, day out. (*Applause.*) I want to thank David Ryan, doing a great job as principal here at Nashua North. (*Applause.*) Mayor Donnalee Lozeau is here, give her a big round of applause. (*Applause.*) Your outstanding governor, John Lynch, is here. Give John a big round of applause. (*Applause.*)

Three great members of Congress: Senator Jeanne Shaheen. (*Applause.*) Congressman Paul Hodes. (*Applause.*) Congresswoman Carol Shea-Porter. (*Applause.*) And behind me I've got the outstanding administrator for our Small Business Administration, who hails from these parts, Karen Mills. Give Karen a big round of applause. (*Applause.*)

So I want to spend a bunch of time hearing from you, answering your questions. But if you'll indulge me, I want to make some brief remarks on the front end.

I've had the privilege of getting to know people here in New Hampshire. I've seen firsthand that spirit of independence and spirit of self-reliance. I know how hard all of you work and how tough and resilient you

are. But I also know that people here in New Hampshire have been tested by the last two years, just like people all across the country. We've gone through the deepest recession since the Great Depression, and folks here have had their lives uprooted by lost jobs and foreclosed homes, shuttered businesses, vanished savings. Many good, hardworking people who met their responsibilities are now struggling, in part because folks on Wall Street and people in Washington didn't meet their responsibilities.

So when I took office, we knew the first thing we had to do was to break the back of this recession. And sometimes that meant doing some things that weren't easy, doing some things that weren't popular. Lord knows it wasn't popular to prevent our financial system from collapsing. We had to throw a lifeline to some of the very firms that had helped cause this crisis in the first place. But it was the right thing to do, because if we hadn't taken those steps, the entire system could have gone down and taken our economy and millions of families and businesses with it. We couldn't afford that.

Because of the steps we've taken, the markets have now stabilized. Nobody's worrying about another Great Depression like they were just a year ago, and the worst of the storm has passed.

But I don't need to tell you the devastation remains. Today, one in 10 Americans still can't find work. That's why jobs has to be our number one focus in 2010. *(Applause.)*

And we're going to start where most new jobs start -- with small businesses. These are the companies that begin in basements and garages when an entrepreneur takes a chance on his dream, or a worker decides it's time she becomes her own boss. They're companies like ARC Energy, which I just visited before I came here. It's a terrific -- *(applause)* -- there you go. A little booster. *(Laughter.)*

Now, these folks are hard at work on a new manufacturing process for ultra-efficient LED lights that will make them more affordable for people all across the country and around the world. The technology they've created is the only one of its kind in the entire world. They're this little business just on Amherst Street, but they've got the potential to revolutionize an entire industry, right here in Nashua. Right here in Nashua. *(Applause.)*

Now, small businesses like ARC Energy have created roughly 65 percent of all new jobs over the past decade and a half. So we need to make it easier for them to open their doors, to expand their operations, to hire more workers. That's why I've already proposed a new tax credit for more than 1 million small businesses that hire new workers or raise wages -- and a tax incentive for all businesses, large and small, to invest in new plants and equipment. And while we're at it, we should eliminate all capital gains taxes on small business investment, so these folks can get the capital they need to grow and create jobs. And when they start making a profit, they can put those profits back into the business.

Now, that's particularly critical right now, because bank lending standards have tightened since the financial crisis and many small businesses are still struggling to get loans.

And that's why today, I'm announcing a proposal to take \$30 billion of the money that was repaid by Wall Street banks, now that they're back on their feet, take that \$30 billion and use it to create a new Small Business Lending Fund that will provide capital for community banks on Main Street. (*Applause.*) It's the small, local banks that work most closely with small businesses. They usually provide them their first loan. They watch them through good times and bad. The more loans these smaller banks provide to creditworthy small businesses, the better deal we'll give them on capital from this fund that we've set up. And if you combine it with my proposal back in December to continue waiving fees and increasing guarantees for SBA-backed loans, all this will help small banks do even more of what our economy needs -- and that's ensure that small businesses are once again the engine of job growth in America. Now, I'm convinced we can make that happen. (*Applause.*)

This is just one example of what we've been doing to create jobs this past year. As some of you might remember, last February, we passed the Recovery Act, which had three parts. One-third was tax relief for small businesses and for 95 of you, 95 percent of working families. One-third of the Recovery Act was emergency relief, like increasing unemployment benefits and helping states keep teachers and police officers and firefighters from losing their jobs. And one-third was putting people to work on infrastructure and renewable energy and medical research, and more.

Now, if you hear some of the critics, they'll say, well, the Recovery Act, I don't know if that's really worked, because we still have high unemployment. But what they fail to understand is that every economist, from the left and the right, have said because of the Recovery Act, what we've started to see is at least a couple of million jobs that have either been created or would have been lost. The problem is 7 million jobs were lost during the course of this recession. So we've still got a big hole to fill. It's going to be absolutely critical that Congress acts over the next several months to make sure that we don't lose sight of the fact that even though the economy is now growing again -- almost 6 percent last quarter -- people have not started hiring again. And we've got to do everything we can to put people back to work, because we need a sustainable recovery over the long term. (*Applause.*)

I've got to be honest with you, there's no magic wand that makes the economic problems that were years in the making disappear overnight. And sometimes, it's easy for politicians to exploit the anger, the pain that people are feeling right now. I have to point out, though, that some of the very same folks in Congress who opposed the Recovery Act -- and claim that it hasn't worked -- have been all too happy to claim credit for Recovery Act projects and the jobs those projects have produced. (*Applause.*) They

come to the ribbon cuttings and -- *(laughter.)* They found a way to have their cake and vote against it, too. *(Laughter.)*

But look, we're making progress, but it can't come fast enough. We want to accelerate it. And we know that if we truly want to have long-term economic growth in this country, then we need to start addressing some of the struggles the middle-class families have been dealing with for years, long before this particular recession hit.

This past decade has been one of the toughest our middle class has faced in generations, because folks have seen their paychecks shrink, their housing prices fall, while the cost of everything -- from groceries to health care to college -- keeps going up. So a lot of you are working two jobs. Certainly everybody in your household is working. You're working longer hours -- but you feel like you're treading water and in some cases it's not adding up. A lot of people put their kids to bed wondering whether they'll be able to give them the opportunities in life that they got from their parents.

And the thing, New Hampshire, when I was up here campaigning, I told you -- I didn't run for President to kick these challenges down the road. I didn't run for President to play it safe. I didn't run just to keep my poll numbers as high as possible for the next election. I ran to solve problems for the next generation. *(Applause.)* I ran to get the hard things done. That's why you elected me. *(Applause.)*

So I won't rest until businesses are hiring again, and wages are rising again, and the middle class is thriving again, and we've finally got an economy that works for all Americans, not just some Americans. I won't rest until we do what we know has to be done to secure our leadership in the 21st century. I don't want to cede our future to China and India and European countries. I'm not willing to settle for second place -- not for the United States of America. *(Applause.)*

But if we're going to win the race, here's the thing: I can't do this alone. Democrats can't do it alone. The President can't do it alone. We've got two parties in this country, and that's a good thing. It means we've got heated debates and vigorous disagreements. And as messy as democracy sometimes is, it means bad ideas can be discarded and good ones can be refined and we don't go too far in any one extreme. That's the genius of American democracy.

So I was very pleased when the House Republican Caucus graciously invited me to attend their retreat last week. *(Applause.)* We had a good time for more than an hour. For more than an hour, we had a frank exchange about the issues facing our country, and we aired some of our grievances, we shared some ideas. There were plenty of things on which we didn't agree, but there were also some things on

which we did, and even more things that we should agree on, if we could just focus on solving problems instead of scoring political points. (*Applause.*)

Now, for example, we all agree that education is the key to a 21st century economy. (*Applause.*) We all agree that the best anti-poverty program around is a world-class education. (*Applause.*) So why don't we work together to transform our schools, so that every child in America can compete with their counterparts around the world, from Beijing to Bangalore. Let's work together to upgrade our community colleges, which are the gateway to a career for so many children from so many working families. (*Applause.*) And I know we've got a lot of young people who are about to head off to college. In an era when a high school diploma is no longer a guarantee of a good job, let's make college affordable for every qualified student. (*Applause.*) As I said at the State of the Union, no graduate should have to pay more than 10 percent of his or her income on student loans each year. (*Applause.*) We can see to it that they don't. We can see to it that they don't. We've got legislation pending right now that could make this happen.

Republicans and Democrats may not see eye to eye on the threat of global warming -- I happen to think the evidence is overwhelming. (*Applause.*) Some disagree. That's -- we can have a respectful argument there. But shouldn't we agree that American homegrown energy is good for our security, and that new clean energy jobs are good for our economy? (*Applause.*) Can't we all agree that these jobs shouldn't be going to China or Germany or Spain -- they should be right here in United States of America. (*Applause.*)

So let's invest in innovation. Let's put people to work on solar panels and wind towers and cutting-edge batteries. Because the nation that leads the clean energy economy will be the nation that leads the global economy, and America has to be that nation. (*Applause.*)

These are key parts of the foundation we need to build for a better future for our families, for our country.

Another foundation stone is fixing a health insurance system that works better for insurance industry than it does for the American people. (*Applause.*) I do not quit. We are going to get that done. (*Applause.*) We've got to get it done. We have to get it done. (*Applause.*)

Nobody should be satisfied with a system that allows insurance companies to deny care to folks with preexisting conditions, that allows insurance companies to kick people off their plans when they get too sick. Nobody should accept a system where small businesses are forced to pay outrageous premiums to get their workers covered, and seniors have big gaps in their Medicare prescription coverage. (*Applause.*) Nobody should accept another decade in which health insurance premiums double and millions lose their coverage altogether. (*Applause.*)

There was just a report the other day that showed even greater numbers of Americans now are having to rely on government insurance, not because of my plan, but because employer-based insurance has declined to an all-time low. Now, these are the things that I hear about every day in the letters I get -- from families going bankrupt; from small businesses crushed by their health care costs. So I am not going to walk away from these efforts. I will not walk away from these people, and Congress shouldn't either. (*Applause.*) We should keep working to get it done -- Democrats and Republicans together, let's get it done this year. (*Applause.*)

Now, finally, we should all be able to agree that we've got to do something about our long-term deficits. Now, these deficits won't just burden our kids and our grandkids decades from now -- they could damage our markets now, they could drive up our interest rates now, they could jeopardize our recovery right now.

Responsible families don't do their budgets the way the federal government does. Right? When times are tough, you tighten your belts. You don't go buying a boat when you can barely pay your mortgage. You don't blow a bunch of cash on Vegas when you're trying to save for college. You prioritize. You make tough choices. It's time your government did the same. (*Applause.*)

Now, that's why I continue to insist on making investments for job growth this year, why I continue to insist that we put more money into education; that's why I say we put more money into science and technology for innovation. (*Applause.*) That's why I continue to believe that we've got to invest in our infrastructure so that we are building the kind of America that can compete in the 21st century. Those are smart investments. That's like buying the new boiler -- if it's busted, you got to get a new boiler. If the roof's leaking, you got to fix the roof. There's some things you've got to do.

But you can put off buying the new curtains, even if it'd be nice to have. You know, that -- remodeling the bathroom, I mean, everything is working. You don't need it right now. I mean, what we've been having are folks who want to buy the curtains but don't want to fix the boiler. (*Applause.*) And our priorities have to change.

That's why I proposed cutting more than 120 government programs -- consolidating ones that are duplicative, reducing ones that are wasteful, eliminating those that just don't work. (*Applause.*) That's why I proposed to cap government spending over the next three years. Spending related to Medicare, Medicaid, Social Security, and our national security will not be affected. (*Applause.*) But all other discretionary government programs will. That doesn't mean we have to do less. It just means we've got to do more with the money we've got. That's why I'm grateful that both the House and the Senate have now voted to reinstate what's called the PAYGO rule. It's a very novel concept. It means "pay as you

go." (*Laughter and applause.*) By the way, that is not to be confused with Paul Hodes's wife Peggo. (*Applause.*) That's a different -- although I really like her, too.

So the PAYGO rule helped create those record surpluses back in the 1990s. You remember that? That was way back when -- (*laughter*) -- instead of the record deficits that we had when I came into office. And the concept here is, as I said, is it's very simple. You want to start a new program? Go ahead. But you've got to cut another one to pay for it. That's how we'll make sure we're spending your money wisely. You want to cut taxes for somebody? That might be a good idea, but you got to find a way to close the revenue hole, so that everything actually adds up. That's how we'll get our deficit under control. That's something that Democrats and Republicans should be able to agree to -- if we could just stop playing politics, get past the Washington game. (*Applause.*)

Now, let me just -- let me just give you an example here, because we released the budget, right way the other side says, oh, look at all these trillions of dollars of debt -- absolutely. I mean, I'm concerned about it very much. It keeps me awake at night, looking at all that red ink. Most of it is structural and we inherited it. The only way that we are going to fix it is if both parties come together and start making some tough decisions about our long-term priorities.

But last week, the Senate blocked a law that I had supported to create a bipartisan fiscal commission that would come up with a set of recommendations for cutting our deficits in the long term. This is a difficult thing. It's only going to be solved if we do it together. This law failed by seven votes when seven Republicans who had co-sponsored the bill -- had co-sponsored the idea -- suddenly walked away from their own proposal after I endorsed it. (*Laughter.*) So, they make a proposal. They sign on to the bill. I say, great, good idea. I turn around -- (*laughter*) -- they're gone. What happened? (*Laughter.*) Look, it's one thing to have an honest difference of opinion on something. There's nothing wrong with that. But you can't walk away from your responsibilities to confront the challenges facing the country, because you don't think it's good short-term politics. We can't afford that. (*Applause.*) We can't afford that. (*Applause.*)

The message you all sent when you elected me, the message that was sent this past month -- whether you're Democrat, Republican, independent -- you're out of patience. You're out of patience with this kind of business as usual. You want us to start worrying less about our jobs and more about your jobs. (*Applause.*) You want us to worry less about our election and more about solving your problems. And for once, you'd like a government that reflects a sense of responsibility and decency and generosity, because that's how you try to live your lives. (*Applause.*)

That's the spirit that led students here at Nashua North to spring into action in the wake of the tragedy in Haiti. And I want to congratulate you guys for planning fundraisers and selling ribbons and collecting money at lunch -- all to help folks that they've never known in a place that most of them have never been. *(Applause.)* We're proud of you for that. That's good work. That's good work. *(Applause.)*

It's that same spirit that drives small business owners like Tim, and like Kedar Gupta, the CEO of ARC Energy. I told you about him, I told you about the company. These are the two guys who are running it right here. Now, Kedar founded ARC, but he also, years before, co-founded a company called GT Solar with just \$1,000. It now has 343 employees, hundreds of millions of dollars in revenue. And as he was growing that company, nursing it from \$1,000, he made sure his employees shared in the company's profits. When the company hit hard times, he cut his own salary first. When talking about his business philosophy, he explains that many CEOs take a "me, me and me" approach. But his approach has been "we" -- not about benefiting just himself, but lifting his employees too, and his community. *(Applause.)*

We need that kind of spirit. We've come through a tough year and a tough decade, but that fundamental decency, that sense of determination, that grit, that willingness to work hard in pursuit of a good idea, the determination to do what's right -- that's been at the core of the American experience. And that should fill us all with optimism about what lies ahead. So let's put aside the small things. Let's come together. Let's do what's hard. Let's welcome what's hard. Let's welcome the challenge. Let's do what's necessary to help the middle class succeed again; to give our shot -- our kids a shot at their dreams again; and to fulfill the promise of this great country in our time, in our generation. That's our test. Thank you very much, everybody. God bless you. *(Applause.)* God bless the United States of America. Thank you. *(Applause.)*

Okay. You know, when in New England, we got to do the town hall. *(Laughter.)* You guys have been -- thank you. Thank you very much. Thank you. God bless you. *(Applause.)*

Now, a lot of you guys have been in these before, so you know the drill. I'm going to call girl, boy, girl, boy. *(Laughter.)* There are microphones in the audience, and I will try to get in as many questions as possible. And it would be nice if you introduce yourself so that people know who you are. And don't yell out. Just raise your hand and I'll call on you -- although she seems very eager, so go ahead. All right, we're going to start right around here.

Q I'm *(inaudible)*, I'm from Fairfield, Connecticut.

THE PRESIDENT: Hey. Uh-oh. How did this Connecticut person sneak in here? All right, go ahead. I love people in Connecticut. Go ahead.

Q Due to the great health care in this country I am a three-time cancer survivor. (*Applause.*)

THE PRESIDENT: We're proud of you.

Q But like many cancer patients was pushed out of a job. I was lucky enough to be able to retire early, buy into the retirees' health plan and then start my own successful business. (*Applause.*) However, this is not the case for most people with chronic illnesses. Health care for cancer survivors is more expensive. How are the jobs bill and the proposed health care legislation going to account for the level of variability of the needs of cancer survivors?

THE PRESIDENT: Well, look, first of all, we're proud of you, you look great. You say you agree? (*Laughter.*) You should.

Q Health-wise I'm great. (*Laughter.*)

THE PRESIDENT: No, you look good, too -- go ahead.

Q Thank you. (*Laughter.*)

THE PRESIDENT: There are a couple of aspects of this. First of all I think we shouldn't lose sight of the enormous potential in the new branches of medicine to go after cancer. I was over at NIH, National Institute for Health. We've increased funding drastically. This is an area that should be one of our competitive advantages, right? We have the best scientists in the world. We've got the best universities in the world. We have traditionally led in innovation. And the more money we're putting in, they're starting to come up with drugs that only kill the cancer cells and don't kill healthy cells, or that can be tailored to a particular kind of cancer that's matched up because of new genetic information. So there's enormous potential here to go after cures and that involves the kind of research and investment that we've made.

In our health care bill, one of the most important components was the idea, the basic principle that nobody should have to go without health insurance because of a preexisting condition. (*Applause.*) Nobody should have to go after -- go without health insurance without -- because of a preexisting condition. Now, this is something that's very popular if you just say it in isolation, but when you start explaining what is required to make that happen, then sometimes some people get a little nervous. You can't have insurance companies have to take somebody who's sick, who's got a preexisting condition, if you don't have everybody covered, or at least almost everybody covered.

And the reason, if you think about it, is simple. If you had a situation where not everybody was covered but an insurance company had to take you because you were sick, what everybody would do is they'd just wait till they got sick and then they'd go buy insurance. Right? And so the potential would be there to game the system.

The reason I point that out is because a lot of the reforms that we've proposed fit together. So we want insurance reforms that make sure that a cancer survivor can still get health insurance. But to do that, we want to make sure that everybody has health insurance, which in turn allows us to cut back on some wasteful spending and help upgrade hospitals and doctors and how they perform medicine because now they're not dealing with as many emergency room patients.

So the cost control aspects of it, the coverage aspects of it, and the insurance reform aspects of it all fit together.

Here's the problem, though, is when you've got all those things fitting together it ends up being a big, complicated bill and it's very easy to scare the daylights out of people. And that's basically what happened during the course of this year's debate. But here's the good news: We're essentially on the five-yard line -- for those who like football analogies. So we've had to go into overtime, but we are now in the red zone, that's exactly right. We're in the red zone. We've got to punch it through.

What I have said is that both the House bill and the Senate bill were 90 percent there. Ten percent of each bill, people had some problems with, and legitimately so. So we were just about to clean those up, and then Massachusetts' election happened. Suddenly everybody says, oh, oh, it's over. Well, no, it's not over. We just have to make sure that we move methodically and that the American people understand exactly what's in the bill.

And what I've done is I've said to the Republicans, show me what you've got. You've been sitting on the sidelines criticizing what we're proposing. I'm happy to defend insurance reforms; I'm happy to defend the fact that we need to provide 30 million people with access to coverage; I'm happy to defend the need to provide small businesses an ability to pool so that they can have the same purchasing power that the big companies have and drive down their premiums and drive down their rates for their employees. I'm happy to have these debates. I just want to see what else you got. And if you've got a good idea, great.

At the Republican caucus, they held up -- they said, we've got a plan; it's going to provide everybody coverage at no cost. And I said, well, if that were true, why wouldn't I take it? My wife Michelle thinks I'm stubborn sometimes, but I'm not that stubborn. Okay, let me think. I could have everybody get health care coverage that's high quality, and it's free, which I'll bet is really popular. But I'm not going to do that.

I'm going to go through the pain of really working through this hard process in Congress, getting yelled at and called a socialist, because I just -- that's how I roll. I'm a glutton for punishment. (*Laughter.*)

No, look, if this were easy and simple, first of all, somebody would have done it before. Seven Presidents have failed at this; seven Congresses have failed at this. If this was simple, it would have already been done. It's not.

This is one-sixth of our economy; it's extremely complex. But I want everybody to understand here: The health care proposal we put forward is basically the same shape as the proposal that was put forward by Tom Daschle, former Senate Democratic Majority Leader; Bob Dole and Howard Baker, two Republican Senate leaders.

So it can't be that radical. It's a very straightforward principle that says we're going to set up an exchange, a pool, where people who don't have health insurance and small businesses who can't afford it right now can buy into the pool. If even after we've driven premiums down because of increased competition and choice, you still can't afford it, we're going to give you a subsidy, depending on your income. We're going to ask that everybody get health insurance, but if you still can't afford it we'll exempt you, we'll give you a hardship exemption, because there are some folks, you know, that it's just too tough.

We are going to insist that the insurance companies all abide by certain practices like making sure that you take people with preexisting conditions, that you don't drop people just because they get sick.

We then say that we have to control the costs of medicine, so we're going to set up a panel of experts -- doctors and health care economists -- who are going to scrutinize how we reimburse things like Medicare to make sure that doctors are encouraged to work as teams -- don't order five tests if you could just do one test and then e-mail it to five different doctors. Pretty straightforward.

Now, what I just described is the essence of what we're doing. And according to the Congressional Budget Office, it would save \$1 trillion in our deficits, which is the single most important thing we can do, by the way, to reduce our deficit over the long term.

Almost all the growth in deficit has nothing to do with my Recovery Act, and has everything to do with the growing costs of Medicare and Medicaid. Almost all of it. You project out 20-30 years -- almost all the growth is because health care costs are just going out of control and we've got an older population that's going to need more care. And if we can't figure out how to get a better bang for the buck, we're going to lose.

So here's my thing: You got a better idea? Bring it on. But what I will not do is to stop working on this issue -- because it is the right thing to do for America and you need to let your members of Congress know they shouldn't give up, they should keep on pushing to make it happen. (*Applause.*)

All right. Okay. All right. It's a guy's turn. It's a gentleman's turn. This gentleman right here in front. Go ahead -- hold on one second, we've got a mic coming over here.

Q I'm Gary Meyer. I live in Hampton, New Hampshire, and I was a quality leader who worked with (*inaudible*). And I know you're well aware that there's a lot of non-valuation work both within health care, within education, and within a lot of businesses and government. You also talked eloquently about the need to have more jobs and to be more energy efficient. All these things together require that we get a health care act reform passed in the Senate, a better one than we have today, and that we also get a clean air act passed. Would you be willing to meet one on one with Senator Gregg to get these things passed in the Senate?

THE PRESIDENT: Oh, I wasn't -- I'm willing to meet with anybody, including Senator Gregg, who I offered a job to. (*Laughter.*) I don't know if you guys remember that. (*Applause.*) I like Senator Gregg. I think he is a -- he is a serious person. But you know that fiscal commission that I just talked about, that was Gregg's proposal. That was his proposal. It was Senator Judd Gregg and Senator Kent Conrad. And they had been advocating for this for years. Mitch McConnell, the Republican Senate -- Republican Leader had just a few months ago said this was the way to deal with this. So I said, great, let's do it. And, suddenly, they're gone -- not Judd, Judd is still supportive of it. So what we're going to try to do -- we're going to try to do it by executive order.

My point is the easiest thing to do in politics is to point fingers, to figure out who to blame for something, or to make people afraid of things. That's the easiest way to get attention. That's what reporters will report on. You call somebody a name, you say, look what a terrible thing they've done and they're going to do more terrible things to you if you don't watch out. And you'll get a lot of press attention. And, in some cases, you can win elections, particularly when unemployment is 10 percent.

What's hard is to figure out how to solve these problems. Our long-term deficit, if we can't control health care costs -- I don't care who's talking about eliminating waste from the government, we can't solve the problem. A lot of people just -- let me just give you one example. If you ask a lot of folks what accounts for the federal budget, they'll say foreign aid and pork projects, and if you just eliminated all the foreign aid and the pork projects, somehow we'd bring our deficit under control. Foreign aid accounts for about 1 percent of our federal budget -- 1 percent, not 25 percent, not 20 [percent] -- 1 percent. Earmarks -- all

these pork projects -- a lot of them, by the way, people like, a lot of them are wastes of money, and we got to be able to distinguish between the two and make it more transparent so that they're not stuck into bills without anybody knowing about it -- (*applause*) -- but they only cost -- they amount to about 1 percent of the budget as well.

What really accounts for our federal budget is Medicare, Medicaid, Social Security, defense, interest on the national debt, and then everything else, from national parks to the environmental -- the EPA, the Environmental Protection Agency. And in order -- if you just wanted to cut the deficit to balance the budget, only on non-discretionary -- or on discretionary non-defense spending -- so if you wanted to exempt out all the entitlements, exempt defense, you'd have to cut all those other things by 60 percent -- 60 percent. Can you imagine?

So we've got to have an honest conversation about all the aspects of the budget, and that's what this commission was designed to do. That's why I think Judd Gregg was absolutely right. I support him on this. And we're going to set up an executive -- by executive order a commission to do this.

But I want good ideas. It is not in my interest to bloat government with wasteful programs, because every time I spend money on a program that doesn't work, that's money that I'm not spending on early childhood education that would make a difference in a child's life -- (*applause*) -- or on college scholarships to send kids to school. We've got to use our money more wisely. But that can only be done if both parties are responding to the interests of the American people and not their short-term politics.

All right, let's see, a woman's turn. That young lady up there. Yes, you -- yes. You sound surprised. (*Laughter.*) Oh, wait, wait, wait, I was calling on this young lady in the black blouse right here, I'm sorry. Sorry about that, but it's nice to see you, though. I may call on you in a second. (*Laughter.*) Go ahead.

Q My name is Ashley Sevins (*phonetic*) and I live here in Nashua and attend Nashua High South. (*Applause.*) There were a lot of -- during your campaign, there was a lot of promises of transparency, but lately a lot of stuff in the media said that most of health care has been behind closed doors. I was just wondering how you would grade yourself on your transparent government.

THE PRESIDENT: Well, you know, I've got to be careful about grading myself. (*Laughter.*) But I will tell you that a recent independent watchdog group took a look and said this has been the most transparent government, most transparent administration, that we have seen in a very, very long time, perhaps in the modern era. (*Applause.*)

And here's the reason. Let me just list off the things we've done. This is the first White House ever where you know every single person who visits the White House. Now, that seems like a small thing, but that means any lobbyist, any company -- anybody who comes to visit the White House, you know who it is.

The Recovery Act that I just talked about -- we put every dollar of spending in the Recovery Act on a Web site. You can go and look up right now every dollar that's been spent in the Recovery Act. You know where it's been spent, who got contracts, how it's been spent. That's all there, plain as day, for everybody to see.

So we've put more information online. We declassified things that used to be classified. We've revamped the classification system so it's not used for us to just hide things that might be embarrassing to us. We posted salaries for everybody in the White House all on a Web site, which as you might imagine, when it comes out, everybody is looking in the White House. *(Laughter.)* Hmmm. *(Laughter.)*

But seriously, we very much believe in transparency and accountability.

Now, when it came to the debate, think about all the hours of congressional hearings, all the meetings that were on C-SPAN. They were constant. It took a year, remember? I did town hall meetings all across the country in August talking just about health care. So when people say, well, the negotiations weren't on C-SPAN, what they're frustrated about -- and I take responsibility for this -- is that after Congress had finally gone through its processes, the House had voted on a bill, the Senate had voted on a bill, it is true that I then met with the leaders and chairmen of the House and the Senate to see what differences needed to be resolved in order to get a final package done. And that wasn't on C-SPAN.

And, look, I made that commitment and I probably should have put it on C-SPAN, although one of the tricky things is trying to figure out, well, if it is on C-SPAN, are people actually going to be saying what they think about trying to get the bill done or is everybody going to be posturing to say things that sound good for the camera.

But I think it is a legitimate criticism to say, if you say that all of it is going to be on C-SPAN, all of it is going to be on C-SPAN. Which is why, at this point, it's important for me to say that when the Republicans put forward their proposals for what they want to do on health care, and we put forward what we want to do on health care, I very much want that on C-SPAN, and I want everybody here to watch. *(Applause.)* I want everybody here to watch. Because I think it will be a good educational process for people to weigh the arguments about the relative merits of the bill instead of listening to millions of dollars' worth of insurance industry ads that have been put out there or whatever pundit on the left or the right is saying about these different issues.

So we're going to keep on doing it. Have we gotten it perfect? No. Have we done better than any administration in recent memory? Absolutely. And we'll keep on trying to improve on it.

All right? Good. (*Applause.*) It's a gentleman's turn. This gentleman there in the back, in the tie. He got all spruced up for the meeting; I want to make sure I call on him.

Q My name is Dick Swett, I live in Bow, New Hampshire. (*Applause.*)

THE PRESIDENT: Hey, Dick, you got a big fan club here.

Q I used to occupy the seat that Paul Hodes holds now, and he's doing a great job.

THE PRESIDENT: He's a good guy.

Q He is. First of all, thank you for coming to New Hampshire. We are very pleased and proud that you're here. And we are grateful for the opportunity to talk.

Now, in your discussions, you have said that you're ready to listen to anybody with a good idea. Well, I'd like to go out on a limb and say I think I've got a good idea; I'd like to share it with you.

THE PRESIDENT: Good, please do.

Q When we talk about energy issues in this country, we are talking about jobs; we're talking about dependence on international oil, some coming from difficult places that are feeding terrorist organizations that are causing harm to our citizens; we are talking about a problem of keeping our money here at home as opposed to send it overseas when we purchase that foreign oil.

I think what we can do is we need to put all of these issues together in one basket, and first set a date by which time we can be independent enough of foreign oil; I can't say that we could be completely independent, and I think you understand the reasons why.

But if we can invest in technology here at home, to develop clean technology, place that technology in developing countries, not only just where they can have energy and electricity to be productive with, but establish with that an economic system where they have jobs and they are opening up new markets that we can sell our products into and that we can build our relationships with their leaders through.

And at home, if we can focus on making ourselves more energy efficient, because we are a very inefficient country when it comes to the use of energy, just like all of the industrialized countries. These

two things, I think, done first can help us to avoid having to do cap and trade and other aspects with environmental controls that are going to have negative impacts on our economy. We need to make productive use of our technology and our people so that we can clean up the economy, put people to work, and then if that isn't sufficient enough, we then go to the kinds of programs that have been talked about at the Copenhagen summit. (*Applause.*)

THE PRESIDENT: Well, let me respond by talking more broadly about energy. First of all, those are such good ideas I've already adopted them, although I didn't know they came from you. (*Laughter.*)

Number one, we have to invest in innovation and new technologies. There's no doubt about it. And by the way, we've got to upgrade some old technologies. I know it's controversial in some quarters, but if you're serious about dealing with climate change then you've got to take a serious look at the nuclear industry. If you are serious about climate change, you've got to figure out is there technology that can allow us to sequester coal and the emissions that are set out.

The reason for that is not just for the United States. China is building a coal-fired plant once a week, just about --India is doing the same -- because coal is cheap. And unless we can come up with some energy alternatives that allow us to franchise that technology so that they are equipped to burn that coal cleanly, we're going to have problems no matter what we do in this country when it comes to the environment. So technology is key. And, by the way, we can make significant profits and create huge jobs just upgrading traditional technologies. Then you've got the whole clean energy sector, which is ready to take off if we provide the kind of seed capital, the kind of R&D credits that are necessary.

This past recession almost killed a lot of our homegrown clean energy sectors. And the industry will tell you. You talk to the wind industry or the solar industry, if we hadn't passed the Recovery Act and all the support for clean energy, a lot of them would have completely gone under and we would have been ceding leadership as we already have, unfortunately, to a lot of countries like Spain and Germany and Japan that are doing a lot more work on it. So this is a huge engine for job creation, and we've got to make those investments.

The third thing you said, energy efficiency. We are one of the least efficient advanced economies when it comes to energy usage. And it's estimated that we could probably lop off 30 percent of our energy consumption just on efficiency without changing our lifestyles significantly. I say "significantly" because you'd have to start buying LED batteries or LED light bulbs. But it's still a light bulb. You don't have to sit in the dark. You don't have to use gas lanterns. You just have to make the investment. And one of the

things that a company like ARC Energy is doing is trying to bring down the unit cost for each of those light bulbs.

A school building like this, guarantee you that we could make this school probably 10-15-20 percent more energy efficient. But the problem is school budgets a lot of times don't have the money to put the capital up front to make it more energy efficient. So are there ways we can help universities and schools and other institutions -- more efficient? We could retrofit every building in this country that was built over the last 50 years and get huge increases in energy, huge decreases in greenhouse gas emissions. But it requires some seed money. It requires some work. And that's why part of our jobs package is actually -- it's a very simple concept: Hire people to weatherize homes that will save those homeowners' heating bills, or cooling bills, and at the same time put people back to work and train them in things like insulation and heating systems. So there's a lot of opportunity there.

Now, here's the only thing I would say. The most controversial aspects of the energy debate that we've been having -- the House passed an energy bill and people complained about, well, there's this cap and trade thing. And you just mentioned, let's do the fun stuff before we do the hard stuff. The only thing I would say about it is this: We may be able to separate these things out. And it's conceivable that that's where the Senate ends up. But the concept of incentivizing clean energy so that it's the cheaper, more effective kind of energy is one that is proven to work and is actually a market-based approach. A lot of times, people just respond to incentives. And no matter how good the technology is, the fact of the matter is if you're not factoring in the soot that's being put in the atmosphere, coal is going to be cheaper for a very long time. For the average industry, the average company, we can make huge progress on solar, we can make huge progress on wind, but the unit costs -- energy costs that you get from those technologies relative to coal are still going to be pretty substantial. They're going to get better, but it might take 20-30-40 years of technology to get better.

And so the question then is: Does it make sense for us to start pricing in the fact that this thing is really bad for the environment? And if we do, then can we do it in a way that doesn't involve some big bureaucracy in a control and command system, but just says, look, we're just going to -- there's going to be a price to pollution. And then everybody can adapt and decide which are the -- which are the best energies. And that's -- that's, by the way, remember acid rain? That's how that got solved, was basically what happened -- the Clean Air Act slapped a price on sulfur emissions. And what ended up happening was all these companies who were saying this was going to be a jobs killer, et cetera, they figured it out. They figured it out a lot cheaper than anybody expected. And it turns out now that our trees are okay up here in New Hampshire. That's a good thing. So we should take a lesson from the past and not be afraid of the future. *(Applause.)*

There's a signal that I only have time for a few more questions. I'm going to try to take two more. It is a young lady's turn. I shouldn't be biased against the folks back here. Here you go.

Q Hi. I'm Judy Loftus. I teach at Nashua South High School. (*Applause.*) I teach in the careers and education program, and that's a career and technical program that prepares students for lives working -- to work with children, to make a difference, from pre-school up to elementary age.

I have a couple of questions. First of all, what are you going to do about No Child Left Behind? We've had a lot of legacies from the last administration. And as an educator I've seen the impact of that in my school and it hasn't been a positive impact. We're focused more on testing and worrying about test scores than what's right for kids. (*Applause.*)

And the second is, what are you going to do to help my students, who want to be teachers, who want to make a difference in this world, be able to afford a college education and not be saddled with so much debt that they're working -- as many teachers in Nashua are -- two jobs, to make ends meet to pay their student loans? (*Applause.*)

THE PRESIDENT: It's a good question. The short-term proposals that I put forward are designed to accelerate job growth, that inspire a company that's right on the brink of hiring but it's still kind of uncertain: Should I make that investment, should I bring in somebody out of the workforce? Well, maybe if I get a \$5,000 credit or maybe if I can get a loan from SBA, I'm going to go ahead and take the plunge. So we're trying to induce hiring to start a little quicker than it's been -- than has taken place so far.

But long term, the question you ask is the most vital one for how our economy performs. Look, this is a very straightforward proposition here. Countries that have a highly skilled workforce, that innovate, that excel in science and technology, are going to dominate the future. And countries that don't are going to see, over time, their standard of living decline. It's pretty straightforward. If we're the country that's innovating and creating new products and at the high end of the product chain, then everybody here is going to have enormous opportunity. And if we're not, we don't.

So what does that mean? On the education front, our elementary schools, our secondary schools, have been slipping. We used to have the best; now we have pockets of the best, and then we have mediocrity, and then we have some schools that are just terrible. We've got to make sure every child is getting a good, solid education. (*Applause.*) And what that means is, it means we continue to invest in early childhood education, which my budget does. It means -- so that our kids are prepared when they start school. It means that we help schools with just their basic budgets. And as I said, the Recovery Act

prevented a lot of layoffs and really patched holes in a lot of school budgets. It's not sexy, it doesn't get a lot of credit, but it made a huge difference.

We've got to make sure, though, also, that the single most important factor in an elementary and secondary school education is fulfilled, and that is, we've got excellent teachers in the classroom who are getting paid a good salary and are getting the support that they need. (*Applause.*)

Now, traditionally what's happened is the debate between the left and the right has said, well, the left just says, we just need more money in the schools and everything will be okay -- you know, it's for new equipment, new computers, smaller class sizes. That's been the argument on the liberal side. The conservative side has said, the whole problem is bureaucracy, teachers' unions -- you got to blow up the system. What my administration believes is, it's not an either/or proposition, it's both/and. We need more money, but we need to spend the money wisely and we need to institute reforms that raise standards and push everybody in a school -- principal, teacher, student, parent -- to pursue excellence.

So last year what we did is we started with something called Race to the Top, and it's a pretty simple proposition. We carved out a little bit of money that doesn't just go to general revenue -- Title I, all the general federal support for schools -- and we said, this money, this Race to the Top money, you get it only if you're working to make for excellent teachers, you're collecting good data to make sure that your students are actually making progress in the schools, you're dealing with the lowest-performing schools in your school district. You've got ideas that are showing concrete results in improvement, not in absolute test scores, but in the progress that that school is making, we're going to fund those improvements.

And we've already seen reforms across 48 states, just because we incentivized reform. That's a good thing.

This year is when reauthorization for what's called No Child [Left] Behind would be coming up, as part of the broader education legislation that's up for reauthorization. And what we're saying there is, on the one hand, we don't want teachers just teaching to the test; on the other hand, we also want to keep high standards for our kids. And I think the best way to do that is to combine high standards, measurable outcomes, but have an assessment system that you work with teachers on so that it's not just a matter of who's filling out a bubble, and you're also taking into account where do kids start, because not every kid is going to start at the same place. So you want to see where do they end up at the end of the year. (*Applause.*)

So I just -- I just had a meeting with my team this week about this, trying to find ways that we can improve the assessment system so we're still holding schools accountable, we're still holding teachers

accountable, but we're not just holding them accountable for a score on a standardized test, but we have a richer way of assessing whether these schools are making progress.

All right, so that's the answer to the No Child Left Behind.

On the college front, here's the deal. We've already increased Pell grants, and we want to increase them again. (*Applause.*) We've already increased both the size of each grant that's permissible, but also the number of grants available so more students can get to them. The next step -- and this is legislation that's pending that we are strongly supportive of and I think our entire congressional delegation from New Hampshire is strongly supportive of -- what it would do is it would say to every student all across America, and this is especially important for somebody who wants to go into teaching -- not a high-salary profession -- that you will never have to pay more than 10 percent of your income on student loans. (*Applause.*) And to every student, we would say that after 20 years your debt would be forgiven as long as you were making payments commensurate with your income. But if you went into public service, we would forgive those student loans after 10 years. (*Applause.*) And teaching obviously is one of our most important public services.

So we think this is a fair deal because what it says is you won't go bankrupt if you decide to go to college, but what it also says is you can make the choice for the lower salary but greater fulfillment, greater satisfaction pursuing your passion -- you can do that and it's not going to be cost-prohibitive.

Now, you may ask, how are we going to pay for it? Remember, we were -- we said we're going to pay for everything from here on out, pay as you go -- PAYGO. Right? So here's how we're going to do it. It turns out that right now a lot of the student loan programs are still run through financial institutions and banks. So you got this middle man and they get billions of dollars per year managing loans that are guaranteed by the federal government. So think about this. You, the taxpayers, are guaranteeing that this is going to be paid back. These institutions are essentially taking no risks, and yet they're still extracting these huge profits.

And what we've said is, look, cut out the middle man. You take those billions of dollars, give it directly to the students; with the money that we save, we can make sure that nobody goes bankrupt because they're going to college, because we need every single person to go to college. We think it's a good idea. We're going to make it happen. (*Applause.*)

All right. I've only got -- I got one last question. Oh, and it's a guy's turn. It's a guy's turn. All right, this gentlemen over here. We figured -- are you a student? Oh, you look like a student. That's why I called on you. (*Laughter.*) You've got a baby face.

Q It's my young face. Thank you, Mr. President. My name is Ronnie Camile (*phonetic*), I live in Nashua, New Hampshire. Three weeks ago, as you know, there was an earthquake in Haiti. I traveled to Haiti to visit my family. And I know times are tough for the American people. And, as President, what will you do to ensure that Haiti will be continued -- will receive help, because many people down there have yet to receive help?

THE PRESIDENT: Well, first of all, I appreciate that you went down. I appreciate what the students did here at Nashua North. (*Applause.*) There's been an outpouring of incredible generosity in response to this earthquake, and it's a testament to the American people. Our military and our government has responded, I believe, in exemplary fashion. We got Marines and aid workers and helicopters and food and clean water facilities -- we got those down in record time. The devastation, and the fact that Haiti already had such poor infrastructure to begin with, makes it that much harder. So, yes, there are still a lot of people there who are going through enormous hardship. But America should be proud of what we've done so far. We really should. (*Applause.*)

Now, part of the point you're making though is, you know, the headlines start to drift in another direction, right? So, it was 24/7 Haiti for about a week, and then the media decided it was time to move on to something else, so now you're not hearing about it as much. And what can happen is that everybody's memories of the devastation start fading away, and then pretty soon people are asking: Why are we giving money to Haiti? So what we have to do is to build a strong consensus around a long-term recovery plan for Haiti that is not just shouldered by the United States but the entire international community. (*Applause.*) I'm going to be working with countries like France and Brazil and Canada, the European Union, Japan, China. We want to get countries that have capacity and resources to come together with the United Nations, with the Haitian government, to determine how can we see if out of this incredible tragedy we can start actually rebuilding in a way that makes life even better for people over the long term than it was before the earthquake. And that's going to require improving our schools, that's going to require improving the infrastructure in Haiti, that's going to require providing the ability of Haitians to sell their products like textiles into advanced countries at an advantageous situation so that they can start rebuilding their commerce and their industry.

It's in our interest to do so, though. I want everybody to do it. We do it because it's right, but we also do it because when the United States sends the USS Vinson to Haiti to allow a bunch of helicopters to unload food and Marines or -- helping and we've got a hospital that's set up -- that sends a message of American power that is so important, because too often what other countries think of when they think of the United States and our military is just war.

But when they see us devoting these resources and the incredible capacity that we have to help people in desperate need, that message ripples across the world. And it means that when you've got a guy like bin Laden out there screaming, "blow up America," it's a lot harder for that seed to take root when people have been seeing images of America making sure that people in desperate need are helped.

*(Applause.)* So it's part of our national security. It's a smart thing to do. It's great to see you, Nashua. I love you guys. Thank you. Appreciate it. *(Applause.)*