

The White House

Office of the Press Secretary



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Press Conference by the President

East Room

11:40 A.M. EDT

THE PRESIDENT: Good morning, everybody. Have a seat, please. I just want to say a few words about the economy before I take your questions.

There are a lot of folks out there who are still struggling with the effects of the recession. Many people are still looking for work or looking for a job that pays more. Families are wondering how they'd deal with a broken refrigerator or a busted transmission, or how they're going to finance their kids' college education, and they're also worrying about the possibility of layoffs.

The struggles of middle-class families were a big problem long before the recession hit in 2007. They weren't created overnight, and the truth is our economic challenges are not going to be solved overnight. But there are more steps that we can take right now that would help businesses create jobs here in America.

Today, our administration is trying to take those steps, so we're reviewing government regulations so that we can fix any rules in place that are an unnecessary burden on businesses. We're working with the private sector to get small businesses and start-ups the financing they need to grow and expand. And because of the partnership that we've launched with businesses and community colleges, 500,000 workers will be able to receive the right skills and training for manufacturing jobs in companies all across America -- jobs that companies are looking to fill.

In addition to the steps that my administration can take on our own, there are also things that Congress could do right now that will help create good jobs. Right now, Congress can send me a bill that would make it easier for entrepreneurs to patent a new product or idea — because we can't give innovators in other countries a big leg up when it comes to opening new businesses and creating new jobs. That's something Congress could do right now.

Right now, Congress could send me a bill that puts construction workers back on the job rebuilding roads and bridges — not by having government fund and pick every project, but by providing loans to private companies and states and local governments on the basis of merit and not politics. That's pending in Congress right now.

Right now, Congress can advance a set of trade agreements that would allow American businesses to sell more of their goods and services to countries in Asia and South America — agreements that would support tens of thousands of American jobs while helping those adversely affected by trade. That's pending before Congress right now.

And right now, we could give middle-class families the security of knowing that the tax cut I signed in December will be there for one more year.

So there are a number of steps that my administration is taking, but there are also a number of steps that Congress could be taking right now on items that historically have had bipartisan support and that would help put more Americans back to work.

Many of these ideas have been tied up in Congress for some time. But, as I said, all of them enjoy bipartisan support, and all of them would help grow the economy. So I urge Congress to act on these ideas now.

Of course, one of the most important and urgent things we can do for the economy is something that both parties are working on right now — and that's reducing our nation's deficit. Over the last few weeks, the Vice President has been leading negotiations with Democrats and Republicans on this issue, and they've made some real progress in narrowing down the differences. As of last week, both parties had identified more than \$1 trillion

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worth of spending cuts already.

But everyone also knows that we'll need to do more to close the deficit. We can't get to the trillion in savings that we need by just cutting the 12 percent of the budget that pays for the research and



eliminate waste wherever we find it and make some tough decisions about worthy priorities.

And that means trimming the defense budget, while still meeting our security needs. It means we'll have to tackle entitlements, as long as we keep faith with seniors and children with disabilities by maintaining the fundamental security that Medicare and Medicaid provide. And, yes, we're going to have to tackle spending in the tax code.

There's been a lot of discussion about revenues and raising taxes in recent weeks, so I want to be clear about what we're proposing here. I spent the last two years cutting taxes for ordinary Americans, and I want to extend those middle-class tax cuts. The tax cuts I'm proposing we get rid of are tax breaks for millionaires and billionaires; tax breaks for oil companies and hedge fund managers and corporate jet owners.

It would be nice if we could keep every tax break there is, but we've got to make some tough choices here if we want to reduce our deficit. And if we choose to keep those tax breaks for millionaires and billionaires, if we choose to keep a tax break for corporate jet owners, if we choose to keep tax breaks for oil and gas companies that are making hundreds of billions of dollars, then that means we've got to cut some kids off from getting a college scholarship. That means we've got to stop funding certain grants for medical research. That means that food safety may be compromised. That means that Medicare has to bear a greater part of the burden. Those are the choices we have to make.

So the bottom line is this: Any agreement to reduce our deficit is going to require tough decisions and balanced solutions. And before we ask our seniors to pay more for health care, before we cut our children's education, before we sacrifice our commitment to the research and innovation that will help create more jobs in the economy, I think it's only fair to ask an oil company or a corporate jet owner that has done so well to give up a tax break that no other business enjoys. I don't think that's real radical. I think the majority of Americans agree with that.

So the good news is, because of the work that's been done, I think we can actually bridge our differences. I think there is a conceptual framework that would allow us to make huge progress on our debt and deficit, and do so in a way that does not hurt our economy right here and right now.

And it's not often that Washington sees both parties agree on the scale and the urgency of the challenge at hand. Nobody wants to put the creditworthiness of the United States in jeopardy. Nobody wants to see the United States default. So we've got to seize this moment, and we have to seize it soon. The Vice President and I will continue these negotiations with both leaders of both parties in Congress for as long as it takes, and we will reach a deal that will require our government to live within its means and give our businesses confidence and get this economy moving.

So, with that, I will take your questions. I've got my list here. Starting off with Ben Feller, Associated Press.

Q Thank you very much, Mr. President. I'd like to follow up on the comments you just made as you try to reach a deal to raise the debt limit and cut the deficit. You keep saying that there needs to be this balanced approach of spending cuts and taxes. But Republicans say flatly, they won't--

THE PRESIDENT: That they don't want a balanced approach.

Q They don't want any tax increases, as they put it. And the House Speaker says not only that he doesn't support that, but that plan won't -- will not pass the House. So my question is will you insist, ultimately, that a deal has to include those tax increases that you just laid out? Is that an absolute red line for you? And if it is, can you explain to us how that can possibly get through the Congress?

THE PRESIDENT: Look, I think that what we've seen in negotiations here in Washington is a lot of people say a lot of things to satisfy their base or to get on cable news, but that hopefully, leaders at a certain point rise to the occasion and they do the right thing for the American people. And that's what I expect to happen this time. Call me naïve, but my expectation is that leaders are going to lead.

Now, I just want to be clear about what's at stake here. The Republicans say they want to reduce the deficit. Every single observer who's not an elected official, who's not a politician, says we can't reduce our deficit in the scale and scope that we need to without having a balanced approach that looks at everything.

Democrats have to accept some painful spending cuts that hurt some of our constituencies and we may not like. And we've shown a willingness to do that for the greater good. To say, look, there are some things that are

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good programs that are nice to have; we can't afford them right now.

As Commander-in-Chief, have to have difficult conversations with the Pentagon saying, you know what, there's fat here; we're going to have to trim it out. And Bob Gates has already done that. Identifying \$400



So we're going to have to look at entitlements -- and that's always difficult politically. But I've been willing to say we need to see where we can reduce the cost of health care spending and Medicare and Medicaid in the out-years, not by shifting costs on to seniors, as some have proposed, but rather by actually reducing those costs. But even if we're doing it in a smart way, that's still tough politics. But it's the right thing to do.

So the question is, if everybody else is willing to take on their sacred cows and do tough things in order to achieve the goal of real deficit reduction, then I think it would be hard for the Republicans to stand there and say that the tax break for corporate jets is sufficiently important that we're not willing to come to the table and get a deal done. Or, we're so concerned about protecting oil and gas subsidies for oil companies that are making money hand over fist -- that's the reason we're not going to come to a deal.

I don't think that's a sustainable position. And the truth of the matter is, if you talk to Republicans who are not currently in office, like Alan Simpson who co-chaired my bipartisan commission, he doesn't think that's a sustainable position. Pete Domenici, Republican, co-chaired something with Alice Rivlin, the Democrat, says that's -- he doesn't think that's a sustainable position. You can't reduce the deficit to the levels that it needs to be reduced without having some revenue in the mix.

And the revenue we're talking about isn't coming out of the pockets of middle-class families that are struggling. It's coming out of folks who are doing extraordinarily well and are enjoying the lowest tax rates since before I was born.

If you are a wealthy CEO or a health -- hedge fund manager in America right now, your taxes are lower than they have ever been. They're lower than they've been since the 1950s. And you can afford it. You'll still be able to ride on your corporate jet; you're just going to have to pay a little more.

And if we -- I just want to emphasize what I said earlier. If we do not have revenues, that means there are a bunch of kids out there who are not getting college scholarships. If we do not have those revenues, then the kinds of cuts that would be required might compromise the National Weather Service. It means that we would not be funding critical medical research. It means that food inspection might be compromised. And I've said to some of the Republican leaders, you go talk to your constituents, the Republican constituents, and ask them are they willing to compromise their kids' safety so that some corporate jet owner continues to get a tax break. And I'm pretty sure what the answer would be.

So we're going to keep on having these conversations. And my belief is, is that the Republican leadership in Congress will, hopefully sooner rather than later, come to the conclusion that they need to make the right decisions for the country; that everybody else has been willing to move off their maximalist position -- they need to do the same.

Q You think they'll ultimately give in?

THE PRESIDENT: My expectation is that they'll do the responsible thing.

Chuck Todd.

Q Thank you, Mr. President. There have been a lot of questions about the constitutionality -- constitutional interpretations of a few decisions you've made, so I'll just simply ask: Do you believe the War Powers Act is constitutional? Do you believe that the debt limit is constitutional, the idea that Congress can do this? And do you believe that marriage is a civil right?

THE PRESIDENT: Well, that was a hodgepodge. (Laughter.) Chuck, we're going to assign you to the Supreme Court, man. (Laughter.)

I'm not a Supreme Court justice so I'm not going to -- putting my constitutional law professor hat on here. Let me focus on, initially, the issue of Libya. I want to talk about the substance of Libya because there's been all kinds of noise about process and congressional consultation and so forth. Let's talk about concretely what's happened.

Muammar Qaddafi, who, prior to Osama bin Laden, was responsible for more American deaths than just about anybody on the planet, was threatening to massacre his people. And as part of an international coalition, under a U.N. mandate that is almost unprecedented, we went in and took out air defense systems so that an international coalition could provide a no-fly zone, could protect -- provide humanitarian protection to the people on the ground.

I spoke to the American people about what we would do. I said there would be no troops on the ground. I said that we would not be carrying the lion's share of this operation, but as members of NATO, we would be supportive of it because it's in our national security interest and also because it's the right thing to do.

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have carried a big load when it comes to these NATO operations. And as a consequence, we've protected thousands of people in Libya; we have not seen a single U.S. casualty; there's no risks of additional escalation. This operation is limited in time and in scope.

So I said to the American people, here's our narrow mission. We have carried out that narrow mission in exemplary fashion. And throughout this process we consulted with Congress. We've had 10 hearings on it. We've sent reams of information about what the operations are. I've had all the members of Congress over to talk about it. So a lot of this fuss is politics.

And if you look substantively at what we've done, we have done exactly what we said to do, under a U.N. mandate, and we have protected thousands of lives in the process. And as a consequence, a guy who was a state sponsor of terrorist operations against the United States of America is pinned down and the noose is tightening around him.

Now, when you look at the history of the War Powers resolution, it came up after the Vietnam War in which we had half-a-million soldiers there, tens of thousands of lives lost, hundreds of billions of dollars spent -- and Congress said, you know what, we don't want something like that happening again. So if you're going to start getting us into those kinds of commitments you've got to consult with Congress beforehand.

And I think that such consultation is entirely appropriate. But do I think that our actions in any way violate the War Powers resolution? The answer is no. So I don't even have to get to the constitutional question. There may be a time in which there was a serious question as to whether or not the War Powers resolution -- act was constitutional. I don't have to get to the question.

We have engaged in a limited operation to help a lot of people against one of the worst tyrants in the world -- somebody who nobody should want to defend -- and we should be sending a unified message to this guy that he should step down and give his people a fair chance to live their lives without fear. And this suddenly becomes the cause célèbre for some folks in Congress? Come on.

So you had, what, a three-parter? (Laughter.) What are the other two?

Q There is some question about the constitutionality of the War Powers Act.

THE PRESIDENT: I'm just saying I don't have to reach it. That's a good legal answer.

Q (Inaudible.)


THE PRESIDENT: Let me start by saying that this administration, under my direction, has consistently said we cannot discriminate as a country against people on the basis of sexual orientation. And we have done more in the two and a half years that I've been in here than the previous 43 Presidents to uphold that principle, whether it's ending "don't ask, don't tell," making sure that gay and lesbian partners can visit each other in hospitals, making sure that federal benefits can be provided to same-sex couples. Across the board -- hate crimes -- we have made sure that that is a central principle of this administration, because I think it's a central principle of America.

Now, what we've also done is we've said that DOMA, the Defense of Marriage Act, is unconstitutional. And so we've said we cannot defend the federal government poking its nose into what states are doing and putting the thumb on the scale against same-sex couples.

What I've seen happen over the last several years, and what happened in New York last week I think was a good thing, because what you saw was the people of New York having a debate, talking through these issues. It was contentious; it was emotional; but, ultimately, they made a decision to recognize civil marriage. And I think that's exactly how things should work.

And so I think it is -- I think it is important for us to work through these issues -- because each community is going to be different and each state is going to be different -- to work through them. In the meantime, we filed a -- we filed briefs before the Supreme Court that say we think that any discrimination against gays, lesbians, transgenders is subject to heightened scrutiny, and we don't think that DOMA is unconstitutional [sic]. And so I think the combination of what states are doing, what the courts are doing, the actions that we're taking administratively, all are how the process should work.

Q Are you at all uncomfortable that there could be different rules in different states, you know, and for somebody to make the argument that's what we saw during segregation --



THE PRESIDENT: Chuck, I think what you're seeing is a profound recognition on the part of the American people that gays and lesbians and transgender persons are our brothers, our sisters, our children, our cousins, our friends, our co-workers, and that they've got to be treated like every other American. And I think that principle will win out. It's not going to be perfectly smooth, and it turns out that the President -- since I've been in the office -- can't justify essentially how that process moves. But I think you've noticed a tremendous amount of greater

Julianna.

Q Thank you, Mr. President. I only have a two-parter. (Laughter.)

THE PRESIDENT: Thanks.

Q Are you concerned that the current debate over debt and deficits is preventing you from taking the kind of decisive and more balanced action needed to create jobs in this country, which is the number one concern for Americans?

And also, one of the impediments to job growth that the business community repeatedly cites is the regulatory environment. So do you think that the NLRB complaint against Boeing, that this has created some of the -- is an example of the kinds of regulations that chill job growth, and also that you yourself have called "just plain dumb"?

THE PRESIDENT: I think it's important to understand that deficit reduction, debt reduction, should be part of an overall package for job growth over the long term. It's not the only part of it, but it's an important part of it.

So as I mentioned at the top, I think it's important for us to look at rebuilding our transportation infrastructure in this country. That could put people back to work right now -- construction workers back to work right now. And it would get done work that America needs to get done. We used to have the best roads, the best bridges, the best airports. We don't anymore. And that's not good for our long-term competitiveness.

So we could put people to work right now and make sure that we're in a good position to win the future, as well. I think --

Q -- spending and (inaudible.)

THE PRESIDENT: I'm going to get to it. I think that it's important for us to look at the tax code and figure out, are there ways that we can simplify it and also build on the work that we've already done, for example, saying to small businesses or start-up businesses, you don't have to pay capital gains when you're in start-up mode, because we want you to get out there and start a business. That's important. Making sure that SBA is helping to get financing to small businesses, that's important.

So there are a whole range of things that we can be doing. I think these trade deals will be important -- because right now South Korea, frankly, has a better deal when it comes to our trading relationship than we do. Part of the reason I want to pass this trade deal is you see a whole bunch of Korean cars here in the United States and you don't see any American cars in Korea. So let's rebalance that trading relationship. That's why we should get this passed.

So there are a range of things that we could be doing right now. Deficit and debt reduction should be seen as part of that overall process, because I think if businesses feel confident that we've got our act together here in Washington, that not only is the government not going to default but we're also preparing for a future in which the population is getting older and we're going to have more expenses on the Medicare side and Social Security, that businesses will feel more confident about investing here in the United States of America.

So I don't think they're contradictory. And as I've said before, certainly in my job, but I think Congress, as well, they've got to be able to walk and chew gum at the same time. So we can focus on jobs at the same time as we're focusing on debt and deficit reduction.

Now, one of the things that my administration has talked about is, is there, in fact, a bunch of -- a tangle of regulations out there that are preventing businesses from growing and expanding as quickly as they should. Keep in mind that the business community is always complaining about regulations. When unemployment is at 3 percent and they're making record profits, they're going to still complain about regulations because, frankly, they want to be able to do whatever they think is going to maximize their profits.

I've got an obligation to make sure that we're upholding smart regulations that protect our air and protect our water and protect our food. If you're flying on a plane, you want to make sure that there are some regulations in place to assure safety in air travel, right? So there are some core regulations that we've got to maintain.

But what I have done -- and this is unprecedented, by the way, no administration has done this before -- is I've said to each agency, don't just look at current regulations -- or don't just look at future regulations, regulations that

we're proposing, let's go backwards and look at regulations that are already on the books, and if they don't make sense, let's get rid of them. And we are in the process of doing that, and we've already identified changes that could potentially save billions of dollars for companies over the next several years.

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making a decision to move a plant. And it's an independent agency. It's going before a judge. So I don't want to get into the details of the case. I don't know all the facts. That's going to be up to a judge to decide.

What I do know is this -- that as a general proposition, companies need to have the freedom to relocate. They have to follow the law, but that's part of our system. And if they're choosing to relocate here in the United States, that's a good thing. And what it doesn't make -- what I think defies common sense would be a notion that we would be shutting down a plant or laying off workers because labor and management can't come to a sensible agreement.

So my hope is, is that even as this thing is working its way through, everybody steps back for a second and says, look, if jobs are being created here in the United States, let's make sure that we're encouraging that. And we can't afford to have labor and management fighting all the time, at a time when we're competing against Germany and China and other countries that want to sell goods all around the world. And obviously, the airplane industry is an area where we still have a huge advantage, and I want to make sure that we keep it.

Mark Lander.

Q Thank you very much, Mr. President. Yesterday, Admiral McRaven testified before Congress that he was concerned that there wasn't a clear procedure to be followed if a terrorist were captured alive abroad. The administration has also been clear that it doesn't want to continue to send suspected terrorists to Guantanamo.

What message do you have for American men and women in uniform who are undertaking missions, like the very risky one to capture and kill bin Laden, about what they should do in the event that they capture someone alive? And does the lack of these clear procedures raise the risk that forces might be more inclined to kill suspected terrorists in the field, rather than capture them alive, thus depriving the U.S. of the intelligence that they could provide?

THE PRESIDENT: Well, first of all, my top priority in each and every one of these situations is to make sure that we're apprehending those who would attack the United States; that we are getting all the intelligence that we can out of these individuals, in a way that's consistent with due process of law; and that we try them, we prosecute them, in a way that's consistent with rule of law.

And, frankly, there are going to be different dispositions of the case depending on the situation. And there are going to be sometimes where a military commission may be appropriate. There are going to be some times where Article III courts are appropriate in terms of prosecution. And we do have a process to work through all the agencies -- Department of Defense, Department of Justice, FBI, anybody else who might be involved in these kinds of operations -- to think through on a case-by-case basis how a particular individual should be dealt with.

And I think that when it comes to our men and women in uniform who might be carrying out these missions, the instructions are not going to be based on whether or not the lawyers can sort out how we detain them or how we prosecute them. Their mission is to make sure that they apprehend the individual; they do so safely with minimum risk to American lives. And that's always going to be the priority, is just carrying out the mission. And that message is sent consistently to our men and women in uniform anytime they start carrying out one of these missions.

But I think it's important to understand, and the American people need to be assured that anytime we initiate a mission like this, our top priorities are making sure this person is not able to carry out attacks against the United States and that we're able to obtain actionable intelligence from those individuals. And so that mitigates against this danger that you're suggesting that our main goal is going to be to kill these individuals as opposed to potentially capturing them. Okay?

Mike Emanuel, FOX.

Q Thank you, Mr. President. Last week when you gave your Afghanistan drawdown speech, the word "victory," in terms of the overall war in Afghanistan, was not in your speech. So I'm wondering, sir, if you can define for the 100,000 troops you have in harm's way in Afghanistan "victory" in the war, and for their families, as well, sir.

THE PRESIDENT: Well, I didn't use "victory" in my West Point speech, either. What I said was we can be successful in our mission, which is narrowly drawn, and that is to make sure that al Qaeda cannot attack the United States of America or our allies or our interests overseas, and to make sure that we have an Afghan government that -- and an Afghan people that can provide for their own security.

We are being successful in those missions. And the reason that we're in a position to draw down 10,000 troops this year and a total of 33,000 troops by the end of next summer is precisely because of the extraordinary

work of our men and women in uniform. What they've been able to do is to severely cripple al Qaeda's capacities.

Obviously bin Laden got the most attention, but even before the bin Laden operation we had decimated the middle ranks and some of the upper ranks of al Qaeda. They're having a great time operating, a great

Afghanistan.

What we've also been able to do is to ramp up the training of Afghan forces. So we've got an additional 100,000 Afghan troops, both Army and police, that have been trained as a consequence of this surge. And that is going to give the Afghans more capacity to defend themselves because it is in our national interest to make sure that you did not have a collapse of Afghanistan in which extremist elements could flood the zone once again, and over time al Qaeda might be in a position to rebuild itself.

So what I laid out was a plan in which we are going to be drawing down our troops from Afghanistan after 10 very long years and an enormous sacrifice by our troops. But we will draw them in a -- draw them down in a responsible way that will allow Afghanistan to defend itself and will give us the operational capacity to continue to put pressure on al Qaeda until that network is entirely defeated.

Q -- the attack on the Intercontinental Hotel yesterday, sir? And does that concern you that Afghan forces may not be able to step up if these guys are able to attack a high-profile target in the nation's capital?

THE PRESIDENT: Well, keep in mind the drawdown hasn't begun. So we understood that Afghanistan is a dangerous place, that the Taliban is still active, and that there are still going to be events like this on occasion. The question is, in terms of overall trend, is Afghanistan capacity increasing.

Kabul, for example, which contains a huge proportion of the Afghan population as a whole, has been largely policed by Afghan forces for quite some time. And they've done a reasonably good job. Kabul is much safer than it was, and Afghan forces in Kabul are much more capable than they were.

That doesn't mean that there are not going to be events like this potentially taking place, and that will probably go on for some time. Our work is not done. But as I said in my speech, the tide of war is receding. We have shifted to a transition phase. And much like we've seen in Iraq, where we've drawn down our troops, the remainder of our troops will be coming out by the end of this year, but Iraq has been able to maintain a democratic government and to tamp down violence there -- we think a similar approach makes sense in Afghanistan.

But even in Iraq, you still see the occasional attack. These are still countries that are digging themselves out of a lot of war, a lot of conflict. They're dangerous places. And so they're not going to be perfectly safe, even if we were there. But we can improve the chances for the Afghan people to defend themselves.

Jim Sciutto.

Q Thank you, Mr. President. You're aware that Senators Kerry and McCain have a proposal on the Senate floor to give you the leeway to continue operations in Libya for a further year. You've just said that this, from the beginning, has been an operation limited in time and scope. Initially you said days, not weeks. Are you prepared, are the American people prepared for this operation, with American support, to continue for a further year? And is there any other definition of success than Qaddafi being removed from power?

THE PRESIDENT: Well, first of all, Jim, just a slight correction. What I told the American people was that the initial phase where Americans were in the lead would take days, perhaps weeks. And that's exactly what happened, right? I mean, after -- around two weeks, a little less than two weeks, we had transitioned where NATO had taken full control of the operation. So promise made, promise kept.

Second, I think when you have the former Republican nominee for President, John McCain, and the former nominee for President on the Democratic side, John Kerry, coming together to support what we're doing in Libya, that should tell the American people that this is important. And I very much appreciate their efforts in that regard.

Third, when it comes to our definitions of success, the U.N. mandate has said that we are there to make sure that you do not see a massacre directed against Libyan civilians by the Libyan regime. The Libyan regime's capacity has been greatly reduced as a consequence of our operation. That's already been successful. What we've seen both in the East and in the West is that opposition forces have been able to mobilize themselves and start getting organized, and people are starting to see the possibility of a more peaceful future on the horizon.

What is also true is, as long as Qaddafi is still presenting himself as the head of the Libyan government, and as long as he still controls large numbers of troops, the Libyan people are going to be in danger of counter-offensives and of retribution. So there is no doubt that Qaddafi stepping down from power is -- from the international community's perspective -- going to be the primary way that we can assure that the overall mission of Libya's people being protected is accomplished.

And I just want to point out -- I know it's something you know -- the International Criminal Court identified Qaddafi as having violated international law, having committed war crimes. When we've seen reports of troops engaging in horrible acts, including potentially using rape as a weapon of war, and so when you have somebody like that in charge of large numbers of troops, I think it would be hard for us to feel that we're supporting the Libyan people.

Now, what that means, whether there's the possibility of Libyans arriving at some sort of political settlement, that I think is something that ultimately the Libyan people are going to have to make a decision about -- because the international community is there in service of that broader goal, of a peaceful Libya.

Q Would you accept a political settlement with him involved as success from the American perspective?

THE PRESIDENT: I would accept him stepping down so that he is not directing armed forces against the Libyan people. He needs to step down. He needs to go.

Laura Meckler.

Q Thank you, Mr. President. In these debt talks, would you accept -- would you like to see some sort of tax breaks aimed at stimulating the economy, even though that would of course add to the deficit itself?

And I'd also like to follow up on one of your earlier answers about same-sex marriage. You said that it's a positive step that so many states, including New York, are moving towards that. Does that mean that you personally now do support same-sex marriage, putting aside what individual states decide? Is that your personal view?

THE PRESIDENT: I'm not going to make news on that today. (Laughter.) Good try, though.

And with respect to the deficit and debt talks and where we need to go, I do think it's important, since we're looking at how do we reduce the debt and deficit both in a 10-year window as well as beyond a 10-year window, to understand that one of the most important things we can do for debt and deficit reduction is to grow the economy.

And so if there are steps that in the short term may reduce the amount of cash in the treasury but in the long term mean that we're growing at 3.5 percent instead of 2.5 percent, then those ideas are worth exploring.

Obviously that was what we did in December during the lame duck session, when Democrats and Republicans came together and we said, you know what, a payroll tax cut makes sense in order to boost the economy; unemployment insurance makes sense in order to boost the economy. All that stuff puts money in people's pockets at a time when they're still struggling to dig themselves out of this recession. And so the American people have an extra thousand dollars, on average, in their pockets because of the tax cuts that we initiated. And that has helped cushion some of the tough stuff that happened in the first six months of this year, including the effects on oil prices as a consequence of what happened in the Middle East as well as what happened in Japan.

I think that it makes perfect sense for us to take a look at can we extend the payroll tax, for example, an additional year, and other tax breaks for business investment that could make a big difference in terms of creating more jobs right now.

What we need to do is to restore business confidence and the confidence of the American people that we're on track -- that we're not going to get there right away, that this is a tough slog, but that we still are moving forward. And I think that it makes sense, as we're looking at an overall package, to see, are there some things that we can do to sustain the recovery, so long as the overall package achieves our goals -- the goals that I set out, which is \$4 trillion within a 10-to 12-year window, and making sure that we're bending the costs of things like health care over the long term.

Q I'm sorry, I know you don't want to say anything further on the same-sex marriage issue, but what you said before really led me to believe that that's what is in your personal mind. And I'm wondering what's the distinction you're drawing.

THE PRESIDENT: Laura, I think this has been asked and answered. I'll keep on giving you the same answer until I give you a different one, all right? And that won't be today. (Laughter.)

Q That's going to be -- (inaudible.)

THE PRESIDENT: Yes, exactly. I thought you'd like that one. (Laughter.)

Antonieta Cádiz? There you are.

Q Thank you very much, Mr. President. First, if you receive a mandatory E-verify bill only without legalization, are you planning to veto that deal?

And second, on Fast and Furious, members of Congress and the government of Mexico are still waiting for answers. Are you planning to replace ATF leadership? And when can we expect the results of the current investigation?

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pending. I'm not going to comment on a current investigation. I've made very clear my views that that would not be an appropriate step by the ATF, and we got to find out how that happened. As soon as the investigation is completed, I think appropriate actions will be taken.

With respect to E-verify, we need comprehensive immigration reform. I've said it before. I will say it again. I will say it next week. And I'll say it six months from now. We've got to have a system that makes sure that we uphold our tradition as a nation of laws and that we also uphold our tradition as a nation of immigrants. And that means tough border security, going after employers that are illegally hiring and exploiting workers, making sure that we also have a pathway for legal status for those who are living in the shadows right now.

We may not be able to get everything that I would like to see in a package, but we have to have a balanced package. E-verify can be an important enforcement tool if it's not riddled with errors, if U.S. citizens are protected -- because what I don't want is a situation in which employers are forced to set up a system that they can't be certain works. And we don't want to expose employers to the risk where they end up rejecting a qualified candidate for a job because the list says that that person is an illegal immigrant, and it turns out that the person isn't an illegal immigrant. That wouldn't be fair for the employee and would probably get the employer in trouble as well.

So I think the goal right now is to let's continue to see if we can perfect the E-verify system. Let's make sure that we have safeguards in place to prevent the kind of scenarios that I talked about. But let's also not lose sight of some of the other components to immigration reform. For example, making sure that DREAM Act kids -- kids who have grown up here in the United States, think of themselves as Americans, who are not legal through no fault of their own, and who are ready to invest and give back to our country and go to school and fight in our military and start businesses here -- let's make sure that those kids can stay.

We need to have a more balanced approach than just a verification system.

Q (Inaudible.)

THE PRESIDENT: I don't have an answer as to whether the investigation is completed yet, and it wouldn't be appropriate for me to comment on the investigation if I don't -- if it's not yet completed.

Jessica Yellin. Congratulations, your first question here.

Q Thank you, Mr. President.

THE PRESIDENT: No pressure. You're going to do great. (Laughter.)

Q Thank you. Your administration has laid out four different dates by which you've said that the debt ceiling must be raised or the U.S. would face potential dire consequences. Three of those dates have come and gone and we haven't faced financial calamity. Some of your critics have argued that these are then scare tactics to force a deal. So why should the American people believe that the August 2nd deadline is the final deadline by which a deal must be raised? And would you also spell out for us what you believe will happen if the debt ceiling is not raised by that date?

THE PRESIDENT: Jessica, let's be clear. We haven't given out four different dates. We have given out dates that are markers for us getting into trouble. It's the equivalent of you're driving down the street and the yellow light starts flashing. The yellow light is flashing. Now, it hasn't been a red light yet. So what Tim Geithner has said is, technically speaking, we're in a position now where we're having to do a whole bunch of things to make sure that our bills are paid.

By August 2nd, we run out of tools to make sure that all our bills are paid. So that is a hard deadline. And I want everybody to understand that this is a jobs issue. This is not an abstraction. If the United States government, for the first time, cannot pay its bills, if it defaults, then the consequences for the U.S. economy will be significant and unpredictable. And that is not a good thing.

We don't know how capital markets will react. But if capital markets suddenly decide, you know what, the U.S. government doesn't pay its bills, so we're going to start pulling our money out, and the U.S. Treasury has to start to raise interest rates in order to attract more money to pay off our bills, that means higher interest rates for businesses; that means higher interest rates for consumers. So all the headwinds that we're already experiencing in terms of the recovery will get worse.

That's not my opinion. I think that's a consensus opinion. And that means that job growth will be further

stymied, it will be further hampered, as a consequence of that decision. So that's point number one.

Point number two, I want to address what I've been hearing from some quarters, which is, well, maybe this debt limit thing is not really that serious; we can just pay interest on the debt. This is the kind of thing going around in some

This is the equivalent of me saying, you know what, I will choose to pay my mortgage, but I'm not going to pay my car note. Or I'm going to pay my car note but I'm not going to pay my student loan. Now, a lot of people in really tough situations are having to make those tough decisions. But for the U.S. government to start picking and choosing like that is not going to inspire a lot of confidence.

Moreover, which bills are we going to decide to pay? These guys have said, well, maybe we just pay the interest on -- for bondholders. So are we really going to start paying interest to Chinese who hold treasuries and we're not going to pay folks their Social Security checks? Or we're not going to pay to veterans for their disability checks? I mean, which bills, which obligations, are we going to say we don't have to pay?

And last point I want to make about this. These are bills that Congress ran up. The money has been spent. The obligations have been made. So this isn't a situation -- I think the American people have to understand this -- this is not a situation where Congress is going to say, okay, we won't -- we won't buy this car or we won't take this vacation. They took the vacation. They bought the car. And now they're saying maybe we don't have to pay, or we don't have to pay as fast as we said we were going to, or -- that's not how responsible families act. And we're the greatest nation on Earth, and we can't act that way.

So this is urgent and it needs to get settled.

Q So is August 2nd a yellow light or a red light?

THE PRESIDENT: I think people should think of -- look, I'm the President of the United States and I want to make sure that I am not engaging in scare tactics. And I've tried to be responsible and somewhat restrained so that folks don't get spooked.

August 2nd is a very important date. And there's no reason why we can't get this done now. We know what the options are out there. This is not a technical problem any longer. This is a matter of Congress going ahead and biting the bullet and making some tough decisions. Because we know what the decisions are. We've identified what spending cuts are possible. We've identified what defense cuts are possible. We've identified what health care cuts are possible. We've identified what loopholes in the tax code can be closed that would also raise revenue. We've identified what the options are. And the question now is are we going to step up and get this done.

And, you know, Malia and Sasha generally finish their homework a day ahead of time. Malia is 13, Sasha is 10.

Q Impressive.

THE PRESIDENT: It is impressive. They don't wait until the night before. They're not pulling all-nighters. (Laughter.) They're 13 and 10. Congress can do the same thing. If you know you've got to do something, just do it.

And I've got to say, I'm very amused when I start hearing comments about, well, the President needs to show more leadership on this. Let me tell you something. Right after we finished dealing with the government shutdown, averting a government shutdown, I called the leaders here together. I said we've got to get done -- get this done. I put Vice President Biden in charge of a process -- that, by the way, has made real progress -- but these guys have met, worked through all of these issues. I met with every single caucus for an hour to an hour and a half each -- Republican senators, Democratic senators; Republican House, Democratic House. I've met with the leaders multiple times. At a certain point, they need to do their job.

And so, this thing, which is just not on the level, where we have meetings and discussions, and we're working through process, and when they decide they're not happy with the fact that at some point you've got to make a choice, they just all step back and say, well, you know, the President needs to get this done -- they need to do their job.

Now is the time to go ahead and make the tough choices. That's why they're called leaders. And I've already shown that I'm willing to make some decisions that are very tough and will give my base of voters further reason to give me a hard time. But it's got to be done.

And so there's no point in procrastinating. There's no point in putting it off. We've got to get this done. And if by the end of this week, we have not seen substantial progress, then I think members of Congress need to understand we are going to start having to cancel things and stay here until we get it done.

They're in one week, they're out one week. And then they're saying, Obama has got to step in. You need to be here. I've been here. I've been doing Afghanistan and bin Laden and the Greeks. You stay here. Let's get it done.

the WHITE HOUSE PRESIDENT BARACK OBAMA

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At 1:01 PM, White House press secretary, Kimberly Guilfoyle

Caren Bohan.

Q Thank you, Mr. President. You talked about the payroll tax holiday and possibly extending that. Are you worried, though, that by adding a discussion of short-term measures on the economy into these discussions about long-term deficit reductions that that may complicate the conversation and make it harder to pass a debt limit?

THE PRESIDENT: I will -- let me put it this way. If we've got a good deal on debt and deficit reduction that focuses not just on the 10-year window but also the long term, we will get it done. And then we can argue about some other things -- because I think that's very important.

I will say that precisely because tough votes in Congress are often avoided, that it may make sense to also deal with something like a payroll tax cut at the same time -- because it does have budget implications and the American people need to know that we're focused on jobs and not just on deficit reduction, even though, as I said, deficit reduction helps to serve the job agenda. I think they want to have some confidence that we've got a plan that's helping right now.

But I don't think it should be a complicating factor -- because if Mitch McConnell and John Boehner came to me and said, all right, we're ready to make a deal, here's a balanced approach to debt and deficit reduction, but we want to argue about payroll tax cuts later, they're not set to expire until the end of this year -- if that was a situation that they presented, then I think we would have a serious conversation about that. I would not discount that completely.

I do think that the steps that I talked about to deal with job growth and economic growth right now are vitally important to deficit reduction. Just as deficit reduction is important to grow the economy and to create jobs -- well, creating jobs and growing the economy also helps reduce the deficit. If we just increased the growth rate by one percentage point, that would drastically bring down the long-term projections of the deficit, because people are paying more into the coffers and fewer people are drawing unemployment insurance. It makes a huge difference.

And this may be sort of a good place to wrap up. You know, every day I get letters from folks all around the country who show incredible resilience, incredible determination, but they are having a very, very tough time. They're losing their homes. Some have lost their businesses. Some have lost work and have not been able to find jobs for months, maybe a year, maybe a year and a half. And they feel some desperation. And some folks who are working just are having a tough time paying the bills because they haven't seen their wages or incomes go up in 10 years, and the costs of everything else have gone up.

And every day that weighs on me. Every minute of every day that weighs on me. Because I ran for President precisely to make sure that we righted this ship and we start once again creating a situation where middle-class families and people who aspire to be in the middle class, if they're working hard, then they're living a better life.

Now, these structural changes in our economy that have been going on for a decade -- in some cases, longer -- they're not going to be solved overnight. But we know what to do. We know that if we are educating our kids well, then they're going to be more competitive. We know that if we are investing in things like infrastructure, it pays off.

I was in Alcoa, in Iowa, one of our most successful companies. They took a big hit during the recession, but they still invested \$90 million in new equipment in a plant that makes airplane wings and parts for automobiles. And they've bounced back. They've hired back all their people and are increasing market share because they made those investments.

Well, just like a company like Alcoa, America has got to make some investments. We know that we've got to get control of our deficit. There are some things that aren't going to solve all our problems but can make progress right now. And the question is whether or not Democrats and Republicans are willing to put aside the expedience of short-term politics in order to get it done.

And these folks are counting on us. They desperately want to believe that their leadership is thinking about them and not playing games. And I think that if all the leadership here in Washington has the faces and the stories of those families in mind, then we will solve this debt limit issue; we will put in place steps like a payroll tax cut and infrastructure development; we'll continue to fund education; we'll hold true to our commitment to our seniors.

These are solvable problems, but it does require us just getting out of the short-term and, frankly, selfish approach that sometimes politics breeds. We've got to think a bit long term.

Thank you very much, everybody.

END 12:47 P.M. EDT

the WHITE HOUSE PRESIDENT BARACK OBAMA



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