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Barack Obama

End of Year Press Conference

Delivered 19 December 2014



AUTHENTICITY CERTIFIED: Text version below transcribed directly from audio

Hello, everybody. We've really got a full house today, huh? Well, all I want for Christmas is to take your questions. But first let me say a little bit about this year.

In last year's final press conference, I said that 2014 would be a year of action and would be a breakthrough year for America. And it has been. Yes, there were crises that we had to tackle around the world, many that were unanticipated. We have more work to do to make sure our economy, our justice system, and our government work not just for the few, but for the many. But there is no doubt that we can enter into the New Year with renewed confidence that America is making significant strides where it counts.

The steps that we took early on to rescue our economy and rebuild it on a new foundation helped make 2014 the strongest year for job growth since the 1990s. All told, over a 57-month streak, our businesses have created nearly 11 million new jobs. Almost all the job growth that we've seen have been in full-time positions. Much of the recent pickup in job growth has been in higher-paying industries. And in a hopeful sign for middle-class families, wages are on the rise again.

Our investments in American manufacturing have helped fuel its best stretch of job growth also since the 1990s. America is now the number-one producer of oil, the number-one producer of natural gas. We're saving drivers about 70 cents a gallon at the pump over last Christmas. And effectively today, our rescue of the auto industry is officially over. We've now repaid taxpayers every dime and more of what my Administration committed, and the American auto industry is on track for its strongest year since 2005. And we've created about half a million new jobs in the auto industry alone.



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Thanks to the Affordable Care Act, about 10 million Americans have gained health insurance just this past year. Enrollment is beginning to pick up again during the open enrollment period. The uninsured rate is at a near record low. Since the law passed, the price of health care has risen at its slowest rate in about 50 years. And we've cut our deficits by about two-thirds since I took office, bringing them to below their 40-year average.

Meanwhile, around the world, America is leading. We're leading the coalition to degrade and ultimately destroy ISIL -- a coalition that includes Arab partners. We're leading the international community to check Russian aggression in Ukraine. We are leading the global fight to combat Ebola in West Africa, and we are preventing an outbreak from taking place here at home. We're leading efforts to address climate change, including last month's joint announcement with China that's already jumpstarting new progress in other countries. We're writing a new chapter in our leadership here in the Americas by turning a new page on our relationship with the Cuban people.

And in less than two weeks, after more than 13 years, our combat mission in Afghanistan will be over. Today, more of our troops are home for the holidays than any time in over a decade. Still, many of our men and women in uniform will spend Christmas in harm's way. And they should know that the country is united in support of you and grateful not only to you but also to your families.

The six years since the crisis have demanded hard work and sacrifice on everybody's part. But as a country, we have every right to be proud of what we've accomplished -- more jobs; more people insured; a growing economy; shrinking deficits; bustling industry; booming energy. Pick any metric that you want -- America's resurgence is real. We are better off.

I've always said that recovering from the crisis of 2008 was our first order of business, and on that business, America has outperformed all of our other competitors. Over the past four years, we've put more people back to work than all other advanced economies combined.

We've now come to a point where we have the chance to reverse an even deeper problem, the decades-long erosion of middle-class jobs and incomes, and to make sure that the middle class is the engine that powers our prosperity for decades to come.

To do that, we're going to have to make some smart choices; we've got to make the right choices. We're going to have to invest in the things that secure even faster growth in higher-paying jobs for more Americans. And I'm being absolutely sincere when I say I want to work with this new Congress to get things done, to make those investments, to make sure the government is working better and smarter. We're going to disagree on some things, but there are going to be areas of agreement and we've got to be able to make that happen. And that's going to involve compromise every once in a while, and we saw during this lame duck period that perhaps that spirit of compromise may be coming to the fore.



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In terms of my own job, I'm energized, I'm excited about the prospects for the next couple of years, and I'm certainly not going to be stopping for a minute in the effort to make life better for ordinary Americans. Because, thanks to their efforts, we really do have a new foundation that's been laid. We are better positioned than we have been in a very long time. A new future is ready to be written. We've set the stage for this American moment. And I'm going to spend every minute of my last two years making sure that we seize it.

My presidency is entering the fourth quarter; interesting stuff happens in the fourth quarter. And I'm looking forward to it. But going into the fourth quarter, you usually get a timeout. I'm now looking forward to a quiet timeout -- Christmas with my family. So I want to wish everybody a Merry Christmas, a Happy Hanukkah, a Happy New Year. I hope that all of you get some time to spend with your families as well, because one thing that we share is that we're away too much from them.

And now, Josh has given me the "who's been naughty and who's been nice" list -- and I'm going to use it to take some questions. And we're going to start with Carrie Budoff Brown of Politico. There you go, Carrie.

Question: Thank you, Mr. President. I'll start on North Korea -- that seems to be the biggest topic today. What does a proportional response look like to the Sony hack? And did Sony make the right decision in pulling the movie? Or does that set a dangerous precedent when faced with this kind of situation?

President Obama: Well, let me address the second question first. Sony is a corporation. It suffered significant damage. There were threats against its employees. I am sympathetic to the concerns that they faced. Having said all that, yes, I think they made a mistake.

In this interconnected, digital world, there are going to be opportunities for hackers to engage in cyber assaults both in the private sector and the public sector. Now, our first order of business is making sure that we do everything to harden sites and prevent those kinds of attacks from taking place. When I came into office, I stood up a cybersecurity interagency team to look at everything that we could at the government level to prevent these kinds of attacks. We've been coordinating with the private sector, but a lot more needs to be done. We're not even close to where we need to be.

And one of the things in the New Year that I hope Congress is prepared to work with us on is strong cybersecurity laws that allow for information-sharing across private sector platforms, as well as the public sector, so that we are incorporating best practices and preventing these attacks from happening in the first place.

But even as we get better, the hackers are going to get better, too. Some of them are going to be state actors; some of them are going to be non-state actors. All of them are going to be sophisticated and many of them can do some damage.



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We cannot have a society in which some dictator someplace can start imposing censorship here in the United States. Because if somebody is able to intimidate folks out of releasing a satirical movie, imagine what they start doing when they see a documentary that they don't like, or news reports that they don't like. Or even worse, imagine if producers and distributors and others start engaging in self-censorship because they don't want to offend the sensibilities of somebody whose sensibilities probably need to be offended.

So that's not who we are. That's not what America is about. Again, I'm sympathetic that Sony as a private company was worried about liabilities, and this and that and the other. I wish they had spoken to me first. I would have told them, do not get into a pattern in which you're intimidated by these kinds of criminal attacks. Imagine if, instead of it being a cyber-threat, somebody had broken into their offices and destroyed a bunch of computers and stolen disks. Is that what it takes for suddenly you to pull the plug on something?

So we'll engage with not just the film industry, but the news industry and the private sector around these issues. We already have. We will continue to do so. But I think all of us have to anticipate occasionally there are going to be breaches like this. They're going to be costly. They're going to be serious. We take them with the utmost seriousness. But we can't start changing our patterns of behavior any more than we stop going to a football game because there might be the possibility of a terrorist attack; any more than Boston didn't run its marathon this year because of the possibility that somebody might try to cause harm. So let's not get into that way of doing business.

Question: Can you just say what the response would be to this attack? Would you consider taking some sort of symbolic step like watching the movie yourself or doing some sort of screening here that --

President Obama: I've got a long list of movies I'm going to be watching.

Question: Will this be one of them?

President Obama: I never release my full movie list.

But let's talk of the specifics of what we now know. The FBI announced today and we can confirm that North Korea engaged in this attack. I think it says something interesting about North Korea that they decided to have the state mount an all-out assault on a movie studio because of a satirical movie starring Seth Rogen and James Franco [Franco]. I love Seth and I love James, but the notion that that was a threat to them I think gives you some sense of the kind of regime we're talking about here.

They caused a lot of damage, and we will respond. We will respond proportionally, and we'll respond in a place and time and manner that we choose. It's not something that I will announce here today at a press conference.



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More broadly, though, this points to the need for us to work with the international community to start setting up some very clear rules of the road in terms of how the Internet and cyber operates. Right now, it's sort of the Wild West. And part of the problem is, is you've got weak states that can engage in these kinds of attacks, you've got non-state actors that can do enormous damage. That's part of what makes this issue of cybersecurity so urgent.

Again, this is part of the reason why it's going to be so important for Congress to work with us and get a actual bill passed that allows for the kind of information-sharing we need. Because if we don't put in place the kind of architecture that can prevent these attacks from taking place, this is not just going to be affecting movies, this is going to be affecting our entire economy in ways that are extraordinarily significant.

And, by the way, I hear you're moving to Europe. Where you going to be?

Question: Brussels.

President Obama: Brussels.

Question: Yes. Helping Politico start a new publication.

President Obama: Well, congratulations.

Question: I've been covering you since the beginning.

President Obama: Well, I think --

Question: It's been a long road for the both of us.

President Obama: I think there's no doubt that what Belgium needs is a version of Politico.

Question: I'll take that as an endorsement.

President Obama: The waffles are delicious there, by the way. Cheryl Bolen. You've been naughty. Cheryl, go ahead.

Question: Thank you, Mr. President. Looking ahead to your work with Congress next year, you've mentioned as an area of possible compromise tax reform. And so I am wondering, do you see a Republican Congress as presenting a better opportunity for actually getting tax reform next year? Will you be putting out a new proposal? Are you willing to consider both individual and corporate side of the tax ledger there? And also, are you still concerned about corporate inversions?



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President Obama: I think an all-Democratic Congress would have provided an even better opportunity for tax reform. But I think, talking to Speaker Boehner and Leader McConnell that they are serious about wanting to get some things done. The tax area is one area where we can get things done. And I think in the coming weeks leading up to the State of Union, there will be some conversations at the staff levels about what principles each side are looking at.

I can tell you broadly what I'd like to see. I'd like to see more simplicity in the system. I'd like to see more fairness in the system. With respect to the corporate tax reform issue, we know that there are companies that are paying the full freight -- 35 percent -- higher than just about any other company on Earth, if you're paying 35 percent, and then there are other companies that are paying zero because they've got better accountants or lawyers. That's not fair.

There are companies that are parking money outside the country because of tax avoidance. We think that it's important that everybody pays something if, in fact, they are effectively headquartered in the United States. In terms of corporate inversion, those are situations where companies really are headquartered here but, on paper, switch their headquarters to see if they can avoid paying their fair share of taxes. I think that needs to be fixed.

So, fairness, everybody paying their fair share, everybody taking responsibility I think is going to be very important.

Some of those principles I've heard Republicans say they share. How we do that -- the devil is in the details. And I'll be interested in seeing what they want to move forward. I'm going to make sure that we put forward some pretty specific proposals building on what we've already put forward.

One other element of this that I think is important is -- and I've been on this hobby horse now for six years. [Audience member sneezes.] Bless you. We've got a lot of infrastructure we've got to rebuild in this country if we're going to be competitive -- roads, bridges, ports, airports, electrical grids, water systems, sewage systems. We are way behind.

And early on we indicated that there is a way of us potentially doing corporate tax reform, lowering rates, eliminating loopholes so everybody is paying their fair share, and during that transition also providing a mechanism where we can get some infrastructure built. I'd like to see us work on that issue as well. Historically, obviously, infrastructure has not been a Democratic or a Republican issue, and I'd like to see if we can return to that tradition.

Julie Pace.

Question: Thank you, Mr. President. I wanted to ask about Cuba. What would you say to dissidents or democracy advocates inside Cuba who fear that the policy changes you announced this week could give the Castro regime economic benefits without having to



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address human rights or their political system? When your Administration was lifting sanctions on Myanmar you sought commitments of reform. Why not do the same with Cuba?

And if I could just follow up on North Korea. Do you have any indication that North Korea was acting in conjunction with another country, perhaps China?

President Obama: We've got no indication that North Korea was acting in conjunction with another country.

With respect to Cuba, we are glad that the Cuban government have released slightly over 50 dissidents; that they are going to be allowing the International Committee of the Red Cross and the United Nations human rights agencies to operate more freely inside of Cuba and monitor what is taking place.

I share the concerns of dissidents there and human rights activists that this is still a regime that represses its people. And as I said when I made the announcement, I don't anticipate overnight changes, but what I know deep in my bones is that if you've done the same thing for 50 years and nothing has changed, you should try something different if you want a different outcome.

And this gives us an opportunity for a different outcome, because suddenly Cuba is open to the world in ways that it has not been before. It's open to Americans traveling there in ways that it hasn't been before. It's open to church groups visiting their fellow believers inside of Cuba in ways they haven't been before. It offers the prospect of telecommunications and the Internet being more widely available in Cuba in ways that it hasn't been before.

And over time, that chips away at this hermetically sealed society, and I believe offers the best prospect then of leading to greater freedom, greater self-determination on the part of the Cuban people.

I think it will happen in fits and starts. But through engagement, we have a better chance of bringing about change than we would have otherwise.

Question: Do you have a goal for where you see Cuba being at the end of your presidency?

President Obama: I think it would be unrealistic for me to map out exactly where Cuba will be. But change is going to come to Cuba. It has to. They've got an economy that doesn't work. They've been reliant for years first on subsidies from the Soviet Union, then on subsidies from Venezuela. Those can't be sustained. And the more the Cuban people see what's possible, the more interested they are going to be in change.

But how societies change is country-specific, it's culturally specific. It could happen fast; it could happen slower than I'd like; but it's going to happen. And I think this change in policy is going to advance that.



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Lesley Clark.

Question: Thank you, Mr. President. I had a number of questions on Cuba as well. Appreciate that. I wanted to --

President Obama: Do I have to write all these down? How many are there? "A number" sounded intimidating.

Question: As quick as I can. As quick as I can. I wanted to see if you got an assurances from the Cuban government that it would not revert to the same sort of -- sabotage the deal, as it has in the past when past Presidents had made similar overtures to the government.

President Obama: Meaning? Be specific. What do you mean?

Question: When the Clinton Administration made some overtures, they shot down planes. They sort of had this pattern of doing provocative -- provocative events.

President Obama: Okay, so just general provocative activity.

Question: Provocative activities any time the U.S. has sort of reached out a hand to them. I wanted to see what is your knowledge of whether Fidel Castro -- did he have any role in the talks? When you talked to President Raul Castro, did Fidel Castro's name come up? Or did you ask about him? How he's doing? People haven't seen him in a while. Given the deep opposition from some Republicans in Congress to lifting the embargo, to an embassy, to any of the changes that you're doing, are you going to personally get involved in terms of talking to them about efforts that they want to do to block money on a new embassy?

President Obama: All right, Lesley, I think I'm going to cut you off here. This is taking up a lot of time.

Question: Okay, all right.

President Obama: All right. So, with respect to sabotage, I mean, my understanding of the history, for example, of the plane being shot down, it's not clear that that was the Cuban government purposely trying to undermine overtures by the Clinton Administration. It was a tragic circumstance that ended up collapsing talks that had begun to take place. I haven't seen a historical record that suggests that they shot the plane down specifically in order to undermine overtures by the Clinton government.

I think it is not unprecedented for the President of the United States and the President of Cuba to make an announcement at the same time that they are moving towards normalizing relations. So there hasn't been anything like this in the past. That doesn't mean that over the next two years we can anticipate them taking certain actions that we may end up finding deeply troubling either inside of Cuba or with respect to their foreign policy.



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And that could put significant strains on the relationship. But that's true of a lot of countries out there where we have an embassy. And the whole point of normalizing relations is that it gives us a greater opportunity to have influence with that government than not.

So I would be surprised if the Cuban government purposely tries to undermine what is now effectively its own policy. I wouldn't be surprised if they take at any given time actions that we think are a problem. And we will be in a position to respond to whatever actions they take the same way we do with a whole range of countries around the world when they do things we think are wrong. But the point is, is that we will be in a better position I think to actually have some influence, and there may be carrots as well as sticks that we can then apply.

The only way that Fidel's name came up -- I think I may have mentioned this in the Davie Muir article -- interview that I did -- was I delivered a fairly lengthy statement at the front end about how we're looking forward to a new future in the relationship between our two countries, but that we are going to continue to press on issues of democracy and human rights, which we think are important.

My opening remarks probably took about 15 minutes, which on the phone is a pretty long time. And at the end of that, he said, Mr. President, you're still a young man. Perhaps you have the -- at the end of my remarks I apologized for taking such a long time, but I wanted to make sure that before we engaged in the conversation he was very clear about where I stood. He said, oh, don't worry about it, Mr. President, you're still a young man and you have still the chance to break Fidel's record -- he once spoke seven hours straight.

And then, President Castro proceeded to deliver his own preliminary remarks that last at least twice as long as mine. And then I was able to say, obviously it runs in the family. But that was the only discussion of Fidel Castro that we had.

I sort of forgot all the other questions.

Question: I have a few more if you're -- how personally involved are you going to get in --

President Obama: With respect to Congress? We cannot unilaterally bring down the embargo. That's codified in the Libertad Act. And what I do think is going to happen, though, is there's going to be a process where Congress digests it. There are bipartisan supporters of our new approach, there are bipartisan detractors of this new approach. People will see how the actions we take unfold. And I think there's going to be a healthy debate inside of Congress.

And I will certainly weigh in. I think that ultimately we need to go ahead and pull down the embargo, which I think has been self-defeating in advancing the aims that we're interested in. But I don't anticipate that that happens right away. I think people are going to want to see how does this move forward before there's any serious debate about whether or not we would make major shifts in the embargo.



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Roberta Rampton.

Question: I want to follow on that by asking, under what conditions would you meet with President Castro in Havana? Would you have certain preconditions that you would want to see met before doing that? And on the hack, I know that you said that you're not going to announce your response, but can you say whether you're considering additional economic or financial sanctions on North Korea? Can you rule out the use of military force or some kind of cyber hit of your own?

President Obama: I think I'm going to leave it where I left it, which is we just confirmed that it was North Korea; we have been working up a range of options. They will be presented to me. I will make a decision on those based on what I believe is proportional and appropriate to the nature of this crime.

With respect to Cuba, we're not at a stage here where me visiting Cuba or President Castro coming to the United States is in the cards. I don't know how this relationship will develop over the next several years. I'm a fairly young man so I imagine that at some point in my life I will have the opportunity to visit Cuba and enjoy interacting with the Cuban people. But there's nothing specific where we're trying to target some sort of visit on my part.

Colleen McCain Nelson.

Question: Thank you, Mr. President.

President Obama: There you are.

Question: You spoke earlier about 2014 being a breakthrough year, and you ended the year with executive actions on Cuba and immigration and climate change. But you didn't make much progress this year on your legislative agenda. And some Republican lawmakers have said they're less inclined to work with you if you pursue executive actions so aggressively. Are you going to continue to pursue executive actions if that creates more roadblocks for your legislative agenda? Or have you concluded that it's not possible to break the fever in Washington and the partisan gridlock here?

President Obama: I think there are real opportunities to get things done in Congress. As I said before, I take Speaker Boehner and Mitch McConnell at their words that they want to get things done. I think the American people would like to see us get some things done. The question is going to be are we able to separate out those areas where we disagree and those areas where we agree. I think there are going to be some tough fights on areas where we disagree.



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If Republicans seek to take health care away from people who just got it, they will meet stiff resistance from me. If they try to water down consumer protections that we put in place in the aftermath of the financial crisis, I will say no. And I'm confident that I'll be able to uphold vetoes of those types of provisions. But on increasing American exports, on simplifying our tax system, on rebuilding our infrastructure, my hope is that we can get some things done.

I've never been persuaded by this argument that if it weren't for the executive actions they would have been more productive. There's no evidence of that. So I intend to continue to do what I've been doing, which is where I see a big problem and the opportunity to help the American people, and it is within my lawful authority to provide that help, I'm going to do it. And I will then, side-by-side, reach out to members of Congress, reach out to Republicans, and say, let's work together; I'd rather do it with you.

Immigration is the classic example. I was really happy when the Senate passed a bipartisan, comprehensive immigration bill. And I did everything I could for a year and a half to provide Republicans the space to act, and showed not only great patience, but flexibility, saying to them, look, if there are specific changes you'd like to see, we're willing to compromise, we're willing to be patient, we're willing to work with you. Ultimately it wasn't forthcoming.

And so the question is going to be I think if executive actions on areas like minimum wage, or equal pay, or having a more sensible immigration system are important to Republicans, if they care about those issues, and the executive actions are bothering them, there is a very simple solution, and that is: Pass bills. And work with me to make sure I'm willing to sign those bills.

Because both sides are going to have to compromise. On most issues, in order for their initiatives to become law, I'm going to have sign off. And that means they have to take into account the issues that I care about, just as I'm going to have to take into account the issues that they care about.

All right. I think this is going to be our last question. Juliet Eilperin. There you go.

Question: Thanks so much. So one of the first bills that Mitch McConnell said he will send to you is one that would authorize the construction of the Keystone XL pipeline. When you talked about this in the past, you've minimized the benefits and you highlighted some of the risks associated with that project. I'm wondering if you could tell us both what you would do when faced with that bill, given the Republican majority that we'll have in both chambers. And also, what do you see as the benefits? And given the precipitous drop we've seen in oil prices recently, does that change the calculus in terms of how it will contribute to climate change, and whether you think it makes sense to go ahead with that project?



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President Obama: Well, I don't think I've minimized the benefits, I think I've described the benefits. At issue in Keystone is not American oil. It is Canadian oil that is drawn out of tar sands in Canada. That oil currently is being shipped out through rail or trucks, and it would save Canadian oil companies and the Canadian oil industry an enormous amount of money if they could simply pipe it all the way through the United States down to the Gulf. Once that oil gets to the Gulf, it is then entering into the world market, and it would be sold all around the world.

So there's no -- I won't say "no" -- there is very little impact, nominal impact, on U.S. gas prices -- what the average American consumer cares about -- by having this pipeline come through. And sometimes the way this gets sold is, let's get this oil and it's going to come here. And the implication is, is that's going to lower gas prices here in the United States. It's not. There's a global oil market. It's very good for Canadian oil companies and it's good for the Canadian oil industry, but it's not going to be a huge benefit to U.S. consumers. It's not even going to be a nominal benefit to U.S. consumers.

Now, the construction of the pipeline itself will create probably a couple thousand jobs. Those are temporary jobs until the construction actually happens. There's probably some additional jobs that can be created in the refining process down in the Gulf. Those aren't completely insignificant -- it's just like any other project. But when you consider what we could be doing if we were rebuilding our roads and bridges around the country -- something that Congress could authorize -- we could probably create hundreds of thousands of jobs, or a million jobs. So if that's the argument, there are a lot more direct ways to create well-paying Americans construction jobs.

And then, with respect to the cost, all I've said is that I want to make sure that if, in fact, this project goes forward, that it's not adding to the problem of climate change, which I think is very serious and does impose serious costs on the American people -- some of them long term, but significant costs nonetheless. If we've got more flooding, more wildfires, more drought, there are direct economic impacts on that.

And as we're now rebuilding after Sandy, for example, we're having to consider how do we increase preparedness in how we structure infrastructure and housing, and so forth, along the Jersey Shore. That's an example of the kind of costs that are imposed, and you can put a dollar figure on it.

So, in terms of process, you've got a Nebraska judge that's still determining whether or not the new path for this pipeline is appropriate. Once that is resolved, then the State Department will have all the information it needs to make its decision.

But I've just tried to give this perspective, because I think that there's been this tendency to really hype this thing as some magic formula to what ails the U.S. economy, and it's hard to see on paper where exactly they're getting that information from.



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In terms of oil prices and how it impacts the decision, I think that it won't have a significant impact except perhaps in the minds of folks -- when gas prices are lower, maybe they're less susceptible to the argument that this is the answer to lowering gas prices. But it was never going to be the answer to lowering gas prices, because the oil that would be piped through the Keystone pipeline would go into the world market. And that's what determines oil prices, ultimately.

Question: And in terms of Congress forcing your hand on this, is this something where you clearly say you're not going to let Congress force your hand on whether to approve or disapprove of this?

President Obama: I'll see what they do. We'll take that up in the New Year.

Question: Any New Year's resolutions?

President Obama: I'll ask -- April, go ahead.

Question: Thank you, Mr. President. Last question, I guess. Six years ago this month, I asked you what was the state of black America in the Oval Office, and you said it was the "the best of times and the worst of times." You said it was the best of times in the sense that there was -- has never been more opportunity for African Americans to receive a good education, and the worst of times for unemployment and the lack of opportunity. We're ending 2014. What is the state of black America as we talk about those issues as well as racial issues in this country?

President Obama: Like the rest of America, black America in the aggregate is better off now than it was when I came into office. The jobs that have been created, the people who've gotten health insurance, the housing equity that's been recovered, the 401 pensions that have been recovered -- a lot of those folks are African American. They're better off than they were.

The gap between income and wealth of white and black America persists. And we've got more work to do on that front. I've been consistent in saying that this is a legacy of a troubled racial past of Jim Crow and slavery. That's not an excuse for black folks. And I think the overwhelming majority of black people understand it's not an excuse. They're working hard. They're out there hustling and trying to get an education, trying to send their kids to college. But they're starting behind, oftentimes, in the race.

And what's true for all Americans is we should be willing to provide people a hand up -- not a handout, but help folks get that good early childhood education, help them graduate from high school, help them afford college. If they do, they're going to be able to succeed, and that's going to be good for all of us.



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And we've seen some progress. The education reforms that we've initiated are showing measurable results. We have the highest high school graduation that we've seen in a very long time. We are seeing record numbers of young people attending college. In many states that have initiated reforms, you're seeing progress in math scores and reading scores for African American and Latino students as well as the broader population. But we've still got more work to go.

Now, obviously, how we're thinking about race relations right now has been colored by Ferguson, the Garner case in New York, a growing awareness in the broader population of what I think many communities of color have understood for some time, and that is that there are specific instances at least where law enforcement doesn't feel as if it's being applied in a colorblind fashion.

The task force that I formed is supposed to report back to me in 90 days -- not with a bunch of abstract musings about race relations, but some really concrete, practical things that police departments and law enforcement agencies can begin implementing right now to rebuild trust between communities of color and the police department.

And my intention is to, as soon as I get those recommendations, to start implementing them. Some of them we'll be able to do through executive action. Some of them will require congressional action. Some of them will require action on the part of states and local jurisdictions.

But I actually think it's been a healthy conversation that we've had. These are not new phenomenon. The fact that they're now surfacing, in part because people are able to film what have just been, in the past, stories passed on around a kitchen table, allows people to make their own assessments and evaluations. And you're not going to solve a problem if it's not being talked about.

In the meantime, we've been moving forward on criminal justice reform issues more broadly. One of the things I didn't talk about in my opening statement is the fact that last year was the first time in 40 years where we had the federal prison population go down and the crime rate go down at the same time, which indicates the degree to which it's possible for us to think smarter about who we're incarcerating, how long we're incarcerating, how are we dealing with nonviolent offenders, how are we dealing with drug offenses, diversion programs, drug courts. We can do a better job of -- and save money in the process by initiating some of these reforms. And I've been really pleased to see that we've had Republicans and Democrats in Congress who are interested in these issues as well.

The one thing I will say -- and this is going to be the last thing I say -- is that one of the great things about this job is you get to know the American people. I mean, you meet folks from every walk of life and every region of the country, and every race and every faith. And what I don't think is always captured in our political debates is the vast majority of people are just trying to do the right thing, and people are basically good and have good intentions.



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Sometimes our institutions and our systems don't work as well as they should. Sometimes you've got a police department that has gotten into bad habits over a period of time and hasn't maybe surfaced some hidden biases that we all carry around. But if you offer practical solutions, I think people want to fix these problems. It's not -- this isn't a situation where people feel good seeing somebody choked and dying. I think that troubles everybody. So there's an opportunity of all of us to come together and to take a practical approach to these problems.

And I guess that's my general theme for the end of the year -- which is we've gone through difficult times. It is your job, press corps, to report on all the mistakes that are made and all the bad things that happen and the crises that look like they're popping. And I understand that. But through persistent effort and faith in the American people, things get better. The economy has gotten better. Our ability to generate clean energy has gotten better. We know more about how to educate our kids. We solved problems. Ebola is a real crisis; you get a mistake in the first case because it's not something that's been seen before -- we fix it. You have some unaccompanied children who spike at a border, and it may not get fixed in the time frame of the news cycle, but it gets fixed.

And part of what I hope as we reflect on the New Year this should generate is some confidence. America knows how to solve problems. And when we work together, we can't be stopped.

And now I'm going to go on vacation. Mele Kalikimaka, everybody. Mahalo. Thank you, everybody.