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**Barack Obama**

*Press Conference Following 2010 Congressional Elections*

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Good afternoon, everybody. Last night I had a chance to speak to the leaders of the House and the Senate and reached out to those who had both won and lost in both parties. I told John Boehner and Mitch McConnell that I look forward to working with them. And I thanked Nancy Pelosi and Harry Reid for their extraordinary leadership over the last two years.

After what I'm sure was a long night for a lot of you -- and needless to say it was for me -- I can tell you that some election nights are more fun than others. Some are exhilarating; some are humbling. But every election, regardless of who wins and who loses, is a reminder that in our democracy, power rests not with those of us in elected office, but with the people we have the privilege to serve.

Over the last few months I've had the opportunity to travel around the country and meet people where they live and where they work, from backyards to factory floors. I did some talking, but mostly I did a lot of listening. And yesterday's vote confirmed what I've heard from folks all across America: People are frustrated -- they're deeply frustrated -- with the pace of our economic recovery and the opportunities that they hope for their children and their grandchildren. They want jobs to come back faster, they want paychecks to go further, and they want the ability to give their children the same chances and opportunities as they've had in life.



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The men and women who sent us here don't expect Washington to solve all their problems. But they do expect Washington to work for them, not against them. They want to know that their tax dollars are being spent wisely, not wasted, and that we're not going to leave our children a legacy of debt. They want to know that their voices aren't being drowned out by a sea of lobbyists and special interests and partisan bickering. They want business to be done here openly and honestly.

Now, I ran for this office to tackle these challenges and give voice to the concerns of everyday people. Over the last two years, we've made progress. But, clearly, too many Americans haven't felt that progress yet, and they told us that yesterday. And as President, I take responsibility for that.

What yesterday also told us is that no one party will be able to dictate where we go from here, that we must find common ground in order to set -- in order to make progress on some uncommonly difficult challenges. And I told John Boehner and Mitch McConnell last night I am very eager to sit down with members of both parties and figure out how we can move forward together.

I'm not suggesting this will be easy. I won't pretend that we will be able to bridge every difference or solve every disagreement. There's a reason we have two parties in this country, and both Democrats and Republicans have certain beliefs and certain principles that each feels cannot be compromised. But what I think the American people are expecting, and what we owe them, is to focus on those issues that affect their jobs, their security, and their future: reducing our deficit, promoting a clean energy economy, making sure that our children are the best educated in the world, making sure that we're making the investments in technology that will allow us to keep our competitive edge in the global economy.

Because the most important contest we face is not the contest between Democrats and Republicans. In this century, the most important competition we face is between America and our economic competitors around the world. To win that competition, and to continue our economic leadership, we're going to need to be strong and we're going to need to be united.

None of the challenges we face lend themselves to simple solutions or bumper-sticker slogans. Nor are the answers found in any one particular philosophy or ideology. As I've said before, no person, no party, has a monopoly on wisdom. And that's why I'm eager to hear good ideas wherever they come from, whoever proposes them. And that's why I believe it's important to have an honest and civil debate about the choices that we face. That's why I want to engage both Democrats and Republicans in serious conversations about where we're going as a nation.

And with so much at stake, what the American people don't want from us, especially here in Washington, is to spend the next two years refighting the political battles of the last two. We just had a tough election. We will have another in 2012.



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I'm not so naïve as to think that everybody will put politics aside until then, but I do hope to make progress on the very serious problems facing us right now. And that's going to require all of us, including me, to work harder at building consensus.

You know, a little over a month ago, we held a town hall meeting in Richmond, Virginia. And one of the most telling questions came from a small business owner who runs a tree care firm. He told me how hard he works and how busy he was; how he doesn't have time to pay attention to all the back-and-forth in Washington. And he asked, is there hope for us returning to civility in our discourse, to a healthy legislative process, so as I strap on the boots again tomorrow, I know that you guys got it under control? It's hard to have a faith in that right now, he said.

I do believe there is hope for civility. I do believe there's hope for progress. And that's because I believe in the resiliency of a nation that's bounced back from much worse than what we're going through right now -- a nation that's overcome war and depression, that has been made more perfect in our struggle for individual rights and individual freedoms.

Each time progress has come slowly and even painfully, but progress has always come -- because we've worked at it and because we've believed in it, and most of all, because we remembered that our first allegiance as citizens is not to party or region or faction, but to country -- because while we may be proud Democrats or proud Republicans, we are prouder to be Americans.

And that's something that we all need to remember right now and in the coming months. And if we do, I have no doubt that we will continue this nation's long journey towards a better future.

So with that, let me take some questions. I'm going to start off with Ben Feller at AP.

**Question:** Thank you, Mr. President. Are you willing to concede at all that what happened last night was not just an expression of frustration about the economy, but a fundamental rejection of your agenda? And given the results, who do you think speaks to the true voice of the American people right now: you or John Boehner?

**President Obama:** I think that there is no doubt that people's number-one concern is the economy. And what they were expressing great frustration about is the fact that we haven't made enough progress on the economy. We've stabilized the economy. We've got job growth in the private sectors. But people all across America aren't feeling that progress. They don't see it. And they understand that I'm the President of the United States, and that my core responsibility is making sure that we've got an economy that's growing, a middle class that feels secure, that jobs are being created. And so I think I've got to take direct responsibility for the fact that we have not made as much progress as we need to make.



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Now, moving forward, I think the question is going to be can Democrats and Republicans sit down together and come up with a set of ideas that address those core concerns. I'm confident that we can.

I think that there are some areas where it's going to be very difficult for us to agree on, but I think there are going to be a whole bunch of areas where we can agree on. I don't think there's anybody in America who thinks that we've got an energy policy that works the way it needs to; that thinks that we shouldn't be working on energy independence. And that gives opportunities for Democrats and Republicans to come together and think about, whether it's natural gas or energy efficiency or how we can build electric cars in this country, how do we move forward on that agenda.

I think everybody in this country thinks that we've got to make sure our kids are equipped in terms of their education, their science background, their math backgrounds, to compete in this new global economy. And that's going to be an area where I think there's potential common ground.

So on a whole range of issues, there are going to be areas where we disagree. I think the overwhelming message that I hear from the voters is that we want everybody to act responsibly in Washington. We want you to work harder to arrive at consensus. We want you to focus completely on jobs and the economy and growing it, so that we're ensuring a better future for our children and our grandchildren.

And I think that there's no doubt that as I reflect on the results of the election, it underscores for me that I've got to do a better job, just like everybody else in Washington does.

**Question:** [Inaudible.]

**President Obama:** Well, I think John Boehner and I and Mitch McConnell and Harry Reid and Nancy Pelosi are going to have to sit down and work together -- because I suspect that if you talk to any individual voter yesterday, they'd say, there are some things I agree with Democrats on, there are some things I agree with Republicans on. I don't think people carry around with them a fixed ideology. I think the majority of people, they're going about their business, going about their lives. They just want to make sure that we're making progress. And that's going to be my top priority over the next couple of years.

Savannah Guthrie.

**Question:** Just following up on what Ben just talked about, you don't seem to be reflecting or second-guessing any of the policy decisions you've made, instead saying the message the voters were sending was about frustration with the economy or maybe even chalking it up to a failure on your part to communicate effectively. If you're not reflecting on your policy agenda, is it possible voters can conclude you're still not getting it?



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**President Obama:** Well, Savannah, that was just the first question, so we're going to have a few more here. I'm doing a whole lot of reflecting and I think that there are going to be areas in policy where we're going to have to do a better job. I think that over the last two years, we have made a series of very tough decisions, but decisions that were right in terms of moving the country forward in an emergency situation where we had the risk of slipping into a second Great Depression.

But what is absolutely true is that with all that stuff coming at folks fast and furious -- a recovery package, what we had to do with respect to the banks, what we had to do with respect to the auto companies -- I think people started looking at all this and it felt as if government was getting much more intrusive into people's lives than they were accustomed to.

Now, the reason was it was an emergency situation. But I think it's understandable that folks said to themselves, you know, maybe this is the agenda, as opposed to a response to an emergency. And that's something that I think everybody in the White House understood was a danger. We thought it was necessary, but I'm sympathetic to folks who looked at it and said this is looking like potential overreach.

In addition, there were a bunch of price tags that went with that. And so, even though these were emergency situations, people rightly said, gosh, we already have all this debt, we already have these big deficits; this is potentially going to compound it, and at what point are we going to get back to a situation where we're doing what families all around the country do, which is make sure that if you spend something you know how to pay for it -- as opposed to racking up the credit card for the next generation.

And I think that the other thing that happened is that when I won election in 2008, one of the reasons I think that people were excited about the campaign was the prospect that we would change how business is done in Washington. And we were in such a hurry to get things done that we didn't change how things got done. And I think that frustrated people.

I'm a strong believer that the earmarking process in Congress isn't what the American people really want to see when it comes to making tough decisions about how taxpayer dollars are spent. And I, in the rush to get things done, had to sign a bunch of bills that had earmarks in them, which was contrary to what I had talked about. And I think folks look at that and they said, gosh, this feels like the same partisan squabbling, this seems like the same ways of doing business as happened before.

And so one of the things that I've got to take responsibility for is not having moved enough on those fronts. And I think there is an opportunity to move forward on some of those issues. My understanding is Eric Cantor today said that he wanted to see a moratorium on earmarks continuing. That's something I think we can -- we can work on together.

**Question:** Would you still resist the notion that voters rejected the policy choices you made?



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**President Obama:** Well, Savannah, I think that what I think is absolutely true is voters are not satisfied with the outcomes. If right now we had 5 percent unemployment instead of 9.6 percent unemployment, then people would have more confidence in those policy choices. The fact is, is that for most folks, proof of whether they work or not is has the economy gotten back to where it needs to be. And it hasn't.

And so my job is to make sure that I'm looking at all ideas that are on the table. When it comes to job creation, if Republicans have good ideas for job growth that can drive down the unemployment rate, and we haven't thought of them, we haven't looked at them but we think they have a chance of working, we want to try some.

So on the policy front, I think the most important thing is to say that we're not going to rule out ideas because they're Democrat or Republican; we want to just see what works. And ultimately, I'll be judged as President as to the bottom line, results.

Mike Emanuel.

**Question:** Thank you, Mr. President. Health care -- as you're well aware, obviously, a lot of Republicans ran against your health care law. Some have called for repealing the law. I'm wondering, sir, if you believe that health care reform that you worked so hard on is in danger at this point, and whether there's a threat, as a result of this election.

**President Obama:** Well, I know that there's some Republican candidates who won last night who feel very strongly about it. I'm sure that this will be an issue that comes up in discussions with the Republican leadership. As I said before, though, I think we'd be misreading the election if we thought that the American people want to see us for the next two years relitigate arguments that we had over the last two years.

With respect to the health care law, generally -- and this may go to some of the questions that Savannah was raising -- you know, when I talk to a woman from New Hampshire who doesn't have to mortgage her house because she got cancer and is seeking treatment but now is able to get health insurance, when I talk to parents who are relieved that their child with a preexisting condition can now stay on their policy until they're 26 years old and give them time to transition to find a job that will give them health insurance, or the small businesses that are now taking advantage of the tax credits that are provided -- then I say to myself, this was the right thing to do.

Now, if the Republicans have ideas for how to improve our health care system, if they want to suggest modifications that would deliver faster and more effective reform to a health care system that has been wildly expensive for too many families and businesses and certainly for our federal government, I'm happy to consider some of those ideas.



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You know, for example, I know one of the things that's come up is that the 1099 provision in the health care bill appears to be too burdensome for small businesses. It just involves too much paperwork, too much filing. It's probably counterproductive. It was designed to make sure that revenue was raised to help pay for some of the other provisions, but if it ends up just being so much trouble that small businesses find it difficult to manage, that's something that we should take a look at.

So there are going to be examples where I think we can tweak and make improvements on the progress that we've made. That's true for any significant piece of legislation.

But I don't think that if you ask the American people, should we stop trying to close the doughnut hole that will help senior citizens get prescription drugs, should we go back to a situation where people with preexisting conditions can't get health insurance, should we allow insurance companies to drop your coverage when you get sick even though you've been paying premiums -- I don't think that you'd have a strong vote for people saying those are provisions I want to eliminate.

**Question:** According to some exit polls, sir, about one out of two voters apparently said that they would like to either see it overturned or repealed. Are you concerned that that may embolden voters who are from the other party perhaps?

**President Obama:** Well, it also means one out of two voters think it was the right thing to do. And obviously this is an issue that has been contentious. But as I said, I think what's going to be useful is for us to go through the issues that Republicans have issues on -- not sort of talking generally, but let's talk specifics. Does this particular provision -- when it comes to preexisting conditions, is this something you're for or you're against? Helping seniors get their prescription drugs -- does that make sense or not?

And if we take that approach -- which is different from campaigning -- I mean, this is now governing -- then I think that we can continue to make some progress and find some common ground.

Chip Reid.

**Question:** Thank you, Mr. President. Republicans say more than anything else what this election was about was spending. And they say it will be when hell freezes over that they will accept anything remotely like a stimulus bill or any kind of a proposal you have out there to stimulate job growth through spending. Do you accept the fact that any kind of spending to create jobs is dead at this point? And if so, what else can government do to create jobs, which is the number one issue?



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**President Obama:** Well, I think this is going to be an important question for Democrats and Republicans. I think the American people are absolutely concerned about spending and debt -- and deficits. And I'm going to have a deficit commission that is putting forward its ideas. It's a bipartisan group that includes Republican and Democratic members of Congress. Hopefully they were able to arrive at some consensus on some areas where we can eliminate programs that don't work, cut back on government spending that is inefficient, can streamline government, but isn't cutting into the core investments that are going to make sure that we are a competitive economy that is growing and providing opportunity for years to come.

So the question I think that my Republican friends and me and Democratic leaders are going to have answer is, what are our priorities? What do we care about? And that's going to be a tough debate, because there are some tough choices here.

We already had a big deficit that I inherited, and that has been made worse because of the recession. As we bring it down, I want to make sure that we're not cutting into education that is going to help define whether or not we can compete around the world. I don't think we should be cutting back on research and development, because if we can develop new technologies in areas like clean energy, that could make all the difference in terms of job creation here at home.

I think the proposal that I put forward with respect to infrastructure is one that historically we've had bipartisan agreement about. And we should be able to agree now that it makes no sense for China to have better rail systems than us, and Singapore having better airports than us. And we just learned that China now has the fastest supercomputer on Earth -- that used to be us. They're making investments because they know those investments will pay off over the long term.

And so in these budget discussions, the key is to be able to distinguish between stuff that isn't adding to our growth, isn't an investment in our future, and those things that are absolutely necessary for us to be able to increase job growth in the future as well.

Now, the single most important thing I think we need to do economically -- and this is something that has to be done during the lame duck session -- is making sure that taxes don't go up on middle-class families next year. And so we've got some work to do on that front to make sure that families not only aren't seeing a higher tax burden -- which will automatically happen if Congress doesn't act -- but also making sure that business provisions that historically we have extended each year that, for example, provide tax breaks for companies that are investing here in the United States in research and development, that those are extended. I think it makes sense for us to extend unemployment insurance because there are still a lot of folks out there hurting.





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So there are some things that we can do right now that will help sustain the recovery and advance it, even as we're also sitting down and figuring out, okay, over the next several years what kinds of budget cuts can we make that are intelligent, that are smart, that won't be undermining our recovery but, in fact, will be encouraging job growth.

**Question:** But most of those things that you just called investments they call wasteful spending and they say it's dead on arrival. It sounds like -- without their support, you can't get any of it through.

**President Obama:** Well, what is absolutely true is, is that without any Republican support on anything, then it's going to be hard to get things done. But I'm not going to anticipate that they're not going to support anything. I think that part of the message sent to Republicans was we want to see stronger job growth in this country. And if there are good ideas about putting people to work that traditionally have garnered Republican support and that don't add to the deficit, then my hope is and expectation is, is that that's something they're willing to have a serious conversation about.

When it comes to, for example, the proposal we put forward to accelerate depreciation for business, so that if they're building a plant or investing in new equipment next year, that they can take a complete write-off next year, get a huge tax break next year, and that would then encourage a lot of businesses to get off the sidelines -- that's not historically considered a liberal idea. That's actually an idea that business groups and Republicans I think have supported for a very long time.

So again, the question is going to be do we all come to the table with an open mind and say to ourselves, what do we think is actually going to make a difference for the American people? That's how we're going to be judged over the next couple of years.

Peter Baker.

**Question:** Thank you, Mr. President. After your election two years ago, when you met with Republicans you said that, in discussing what policies might go forward, that elections have consequences, and that you pointed out that you had won. I wonder what consequences you think this election should have then, in terms of your policies. Are there areas that you're willing -- can you name today areas that you would be willing to compromise on that you might not have been willing to compromise on in the past?

**President Obama:** Well, I think I've been willing to compromise in the past and I'm going to be willing to compromise going forward on a whole range of issues. Let me give you an example -- the issue of energy that I just mentioned. I think there are a lot of Republicans that ran against the energy bill that passed in the House last year. And so it's doubtful that you could get the votes to pass that through the House this year or next year or the year after. But that doesn't mean there isn't agreement that we should have a better energy policy. And so let's find those areas where we can agree.



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We've got, I think, broad agreement that we've got terrific natural gas resources in this country. Are we doing everything we can to develop those? There's a lot of agreement around the need to make sure that electric cars are developed here in the United States, that we don't fall behind other countries. Are there things that we can do to encourage that? And there's already been bipartisan interest on those issues.

There's been discussion about how we can restart our nuclear industry as a means of reducing our dependence on foreign oil and reducing greenhouse gases. Is that an area where we can move forward?

We were able, over the last two years, to increase for the first time in 30 years fuel-efficiency standards on cars and trucks. We didn't even need legislation. We just needed the cooperation of automakers and autoworkers and investors and other shareholders. And that's going to move us forward in a serious way.

So I think when it comes to something like energy, what we're probably going to have to do is say here are some areas where there's just too much disagreement between Democrats and Republicans, we can't get this done right now, but let's not wait. Let's go ahead and start making some progress on the things that we do agree on, and we can continue to have a strong and healthy debate about those areas where we don't.

**Question:** Is there anything in the "Pledge to America" that you think you can support?

**President Obama:** You know, I'm sure there are going to be areas, particularly around, for example, reforming how Washington works, that I'll be interested in. I think the American people want to see more transparency, more openness. As I said, in the midst of economic crisis, I think one of the things I take responsibility for is not having pushed harder on some of those issues. And I think if you take Republicans and Democrats at their word this is an area that they want to deliver on for the American people, I want to be supportive of that effort.

Jake Tapper.

**Question:** Thank you, Mr. President. I have a policy question and a personal one. The policy question is, you talked about how the immediate goal is the Bush tax cuts and making sure that they don't expire for those who earn under \$200,000, \$250,000. Republicans disagree with that strongly. They want all of the Bush tax cuts extended. Are you willing to compromise on that? Are you willing to negotiate at all, for instance, allow them to expire for everyone over \$1 million? Where are you willing to budge on that? And the second one is, President Bush when he went through a similar thing came out and he said this was a "thumpin'." You talked about how it was humbling, or you alluded to it perhaps being humbling. And I'm wondering, when you call your friends, like Congressman Perriello or Governor Strickland, and you see 19 state legislatures go to the other side, governorships in swing states, the Democratic Party set back, what does it feel like?



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**President Obama:** It feels bad. You know, the toughest thing over the last couple of days is seeing really terrific public servants not have the opportunity to serve anymore, at least in the short term. And you mentioned -- there are just some terrific members of Congress who took really tough votes because they thought it was the right thing, even though they knew this could cause them political problems, and even though a lot of them came from really tough swing districts or majority-Republican districts. And the amount of courage that they showed and conviction that they showed is something that I admire so much. I can't overstate it.

And so there is a not only sadness about seeing them go, but there's also a lot of questioning on my part in terms of could I have done something differently or done something more so that those folks would still be here.

It's hard. And I take responsibility for it in a lot of ways.

I will tell you, they've been incredibly gracious when I have conversations with them. And what they've told me is, you know, we don't have regrets because I feel like we were doing the right thing. And they may be just saying that to make me feel better, which, again, is a sign of their character and their class. And I hope a lot of them continue to pursue public service because I think they're terrific public servants.

With respect to the tax cut issue, my goal is to make sure that we don't have a huge spike in taxes for middle-class families. Not only would that be a terrible burden on families who are already going through tough times, it would be bad for our economy. It is very important that we're not taking a whole bunch of money out of the system from people who are most likely to spend that money on goods, services, groceries, buying a new winter coat for the kids.

That's also why I think unemployment insurance is important. Not only is it the right thing to do for folks who are still looking for work and struggling in this really tough economy, but it's the right thing to do for the economy as a whole.

So my goal is to sit down with Speaker-elect Boehner and Mitch McConnell and Harry and Nancy sometime in the next few weeks and see where we can move forward in a way that, first of all, does no harm; that extends those tax cuts that are very important for middle-class families; also extends those provisions that are important to encourage businesses to invest, and provide businesses some certainty over the next year or two.

And how that negotiation works itself out I think is too early to say. But this is going to be one of my top priorities, and my hope is, is that given we all have an interest in growing the economy and encouraging job growth, that we're not going to play brinksmanship but instead we're going to act responsibly.

**Question:** So you're willing to negotiate?

**President Obama:** Absolutely.



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Laura Meckler.

**Question:** Thank you, Mr. President. You said earlier that it was clear that Congress was rejecting the idea of a cap-and-trade program, and that you wouldn't be able to move forward with that. Looking ahead, do you feel the same way about EPA regulating carbon emissions? Would you be open to them doing essentially the same thing through an administrative action, or is that off the table, as well?

And secondly, just to follow up on what you said about changing the way Washington works, do you think that -- you said you didn't do enough to change the way things were handled in this city. Some of -- in order to get your health care bill passed you needed to make some of those deals. Do you wish, in retrospect, you had not made those deals even if it meant the collapse of the program?

**President Obama:** I think that making sure that families had security and were on a trajectory to lower health care costs was absolutely critical for this country. But you are absolutely right that when you are navigating through a House and a Senate in this kind of pretty partisan environment that it's a ugly mess when it comes to process. And I think that is something that really affected how people viewed the outcome. That is something that I regret -- that we couldn't have made the process more -- healthier than it ended up being. But I think the outcome was a good one.

With respect to the EPA, I think the smartest thing for us to do is to see if we can get Democrats and Republicans in a room who are serious about energy independence and are serious about keeping our air clean and our water clean and dealing with the issue of greenhouse gases -- and seeing are there ways that we can make progress in the short term and invest in technologies in the long term that start giving us the tools to reduce greenhouse gases and solve this problem.

The EPA is under a court order that says greenhouse gases are a pollutant that fall under their jurisdiction. And I think one of the things that's very important for me is not to have us ignore the science, but rather to find ways that we can solve these problems that don't hurt the economy, that encourage the development of clean energy in this country, that, in fact, may give us opportunities to create entire new industries and create jobs that -- and that put us in a competitive posture around the world.

So I think it's too early to say whether or not we can make some progress on that front. I think we can. Cap and trade was just one way of skinning the cat; it was not the only way. It was a means, not an end. And I'm going to be looking for other means to address this problem.

And I think EPA wants help from the legislature on this. I don't think that the desire is to somehow be protective of their powers here. I think what they want to do is make sure that the issue is being dealt with.



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Ed Henry.

**Question:** Thank you, Mr. President. I wanted to do a personal and policy one as well. On personal, you had a lot of fun on the campaign trail by saying that the Republicans were drinking a Slurpee and sitting on the sidelines while you were trying to pull the car out of the ditch. But the point of the story was that you said if you want to go forward, you put the car in "D"; if you want to go backwards, you put it in "R." Now that there are at least 60 House districts that seem to have rejected that message, is it possible that there are a majority of Americans who think your policies are taking us in reverse? And what specific changes will you make to your approach to try to fix that and better connect with the American people?

And just on a policy front, "don't ask, don't tell" is something that you promised to end. And when you had 60 votes and 59 votes in the Senate -- it's a tough issue -- you haven't been able to do it. Do you now have to tell your liberal base that with maybe 52 or 53 votes in the Senate, you're just not going to be able to get it done in the next two years?

**President Obama:** Well, let me take the second issue first. I've been a strong believer in the notion that if somebody is willing to serve in our military, in uniform, putting their lives on the line for our security, that they should not be prevented from doing so because of their sexual orientation. And since there's been a lot of discussion about polls over the last 48 hours, I think it's worth noting that the overwhelming majority of Americans feel the same way. It's the right thing to do.

Now, as Commander-in-Chief, I've said that making this change needs to be done in an orderly fashion. I've worked with the Pentagon, worked with Secretary Gates, worked with Admiral Mullen to make sure that we are looking at this in a systemic way that maintains good order and discipline, but that we need to change this policy.

There's going to be a review that comes out at the beginning of the month that will have surveyed attitudes and opinions within the armed forces. I will expect that Secretary of Defense Gates and Chairman of the Joint Chiefs of Staff Admiral Mullen will have something to say about that review. I will look at it very carefully. But that will give us time to act in -- potentially during the lame duck session to change this policy.

Keep in mind we've got a bunch of court cases that are out there as well. And something that would be very disruptive to good order and discipline and unit cohesion is if we've got this issue bouncing around in the courts, as it already has over the last several weeks, where the Pentagon and the chain of command doesn't know at any given time what rules they're working under.

We need to provide certainty and it's time for us to move this policy forward. And this should not be a partisan issue. This is an issue, as I said, where you've got a sizable portion of the American people squarely behind the notion that folks who are willing to serve on our behalf should be treated fairly and equally.



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Now, in terms of how we move forward, I think that the American people understand that we're still digging our way out of a pretty big mess. So I don't think anybody denies they think we're in a ditch. I just don't think they feel like we've gotten all the way out of the ditch yet. And to move the analogy forward that I used in the campaign, I think what they want right now is the Democrats and the Republicans both pushing some more to get the car on level ground. And we haven't done that.

If you think I was engaging in too much campaign rhetoric, saying the Republicans were just sitting on the side of the road, watching us get that car out of the ditch, at the very least we were pushing in opposite directions. And so --

**Question:** -- the idea that your policies are taking the country in reverse. You just reject that idea altogether that your policies could be going in reverse?

**President Obama:** Yes. And I think, look, here's the bottom line. When I came into office, this economy was in a freefall, and the economy has stabilized. The economy is growing. We've seen nine months of private sector job growth. So I think it would be hard to argue that we're going backwards. I think what you can argue is we're stuck in neutral. We are not moving the way we need to, to make sure that folks have the jobs, have the opportunity, are seeing economic growth in their communities the way they need to. And that's going to require Democrats and Republicans to come together and look for the best ideas to move things forward.

It will not be easy, not just because Democrats and Republicans may have different priorities, as we were just discussing when it came to how we structure tax cuts, but because these issues are hard.

The Republicans throughout the campaign said they're very concerned about debt and deficits. Well, one of the most important things we can do for debt and deficits is economic growth. So what other proposals do they have to grow the economy? If, in fact, they're rejecting some of the proposals I've made, I want to hear from them what affirmative policies can make a difference in terms of encouraging job growth and promoting the economy -- because I don't think that tax cuts alone are going to be a recipe for the kind of expansion that we need.

From 2001 to 2009, we cut taxes pretty significantly, and we just didn't see the kind of expansion that is going to be necessary in terms of driving the unemployment rate down significantly.

So I think what we're going to need to do and what the American people want is for us to mix and match ideas, figure out those areas where we can agree on, move forward on those, disagree without being disagreeable on those areas that we can't agree on. If we accomplish that, then there will be time for politics later, but over the next year I think we can solidify this recovery and give people a little more confidence out there.



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Hans Nichols.

**Question:** Thank you, Mr. President. I want to ask if you're going to have John Boehner over for a Slurpee, but I actually have a serious question.

**President Obama:** I might serve -- they're delicious drinks.

**Question:** The Slurpee Summit.

**President Obama:** The Slurpee Summit -- that's good, Chuck. I like that.

**Question:** Since you seem to be in a reflective mood, do you think you need to hit the reset button with business? How do you plan to set that reset button with business? Would that -- would you include anything beyond your Cleveland speech, those proposals, to get them off the sidelines, get them off the cash they're hoarding and start hiring again? Thank you.

**President Obama:** Yes, I think this is an important question that we've been asking ourselves for several months now. You're right, as I reflect on what's happened over the last two years, one of the things that I think has not been managed by me as well as it needed to be was finding the right balance in making sure that businesses have rules of the road and are treating customers fairly and -- whether it's their credit cards or insurance or their mortgages -- but also making absolutely clear that the only way America succeeds is if businesses are succeeding.

The reason we've got a unparalleled standard of living in the history of the world is because we've got a free market that is dynamic and entrepreneurial, and that free market has to be nurtured and cultivated. And there's no doubt that when you had the financial crisis on Wall Street, the bonus controversies, the battle around health care, the battle around financial reform, and then you had BP -- you just had a successive set of issues in which I think business took the message that, well, gosh, it seems like we may be always painted at the bad guy.

And so I've got to take responsibility in terms of making sure that I make clear to the business community as well as to the country that the most important thing we can do is to boost and encourage our business sector and make sure that they're hiring. And so we do have specific plans in terms of how we can structure that outreach.

Now, keep in mind over the last two years, we've been talking to CEOs constantly. And as I plan for my trip later this week to Asia, the whole focus is on how are we going to open up markets so that American businesses can prosper, and we can sell more goods and create more jobs here in the United States. And a whole bunch of corporate executives are going to be joining us so that I can help them open up those markets and allow them to sell their products.



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So there's been a lot of strong interaction behind the scenes. But I think setting the right tone publicly is going to be important and could end up making a difference at the margins in terms of how businesses make investment decisions.

**Question:** But do you have new specific proposals to get them off the sidelines and start hiring?

**President Obama:** Well, I already discussed a couple with Chip that haven't been acted on yet. You're right that I made these proposals two months ago, but -- or three months ago -- but it was in the midst of a campaign season where it was doubtful that they were going to get a full hearing, just because there was so much political noise going on.

I think as we move forward, sitting down and talking to businesses, figuring out what exactly would help you make more investments that could create more jobs here in the United States, and listening hard to them -- in a context where maybe Democrats and Republicans are together so we're receiving the same message at the same time -- and then acting on that agenda could make a big difference.

Matt Spetalnick of Reuters.

**Question:** Thank you, Mr. President. How do you respond to those who say the election outcome, at least in part, was voters saying that they see you as out of touch with their personal economic pain? And are you willing to make any changes in your leadership style?

**President Obama:** There is an inherent danger in being in the White House and being in the bubble. I mean, folks didn't have any complaints about my leadership style when I was running around Iowa for a year. And they got a pretty good look at me up close and personal, and they were able to lift the hood and kick the tires, and I think they understood that my story was theirs. I might have a funny name, I might have lived in some different places, but the values of hard work and responsibility and honesty and looking out for one another that had been instilled in them by their parents, those were the same values that I took from my mom and my grandparents.

And so the track record has been that when I'm out of this place, that's not an issue. When you're in this place, it is hard not to seem removed. And one of the challenges that we've got to think about is how do I meet my responsibilities here in the White House, which require a lot of hours and a lot of work, but still have that opportunity to engage with the American people on a day-to-day basis, and know -- give them confidence that I'm listening to them.

Those letters that I read every night, some of them just break my heart. Some of them provide me encouragement and inspiration. But nobody is filming me reading those letters. And so it's hard, I think, for people to get a sense of, well, how is he taking in all this information?





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So I think there are more things that we can do to make sure that I'm getting out of here. But, I mean, I think it's important to point out as well that a couple of great communicators, Ronald Reagan and Bill Clinton, were standing at this podium two years into their presidency getting very similar questions because the economy wasn't working the way it needed to be and there were a whole range of factors that made people concerned that maybe the party in power wasn't listening to them. This is something that I think every President needs to go through because the responsibilities of this office are so enormous and so many people are depending on what we do, and in the rush of activity, sometimes we lose track of the ways that we connected with folks that got us here in the first place.

And that's something that -- now, I'm not recommending for every future President that they take a shellacking like they -- like I did last night. I'm sure there are easier ways to learn these lessons. But I do think that this is a growth process and an evolution. And the relationship that I've had with the American people is one that built slowly, peaked at this incredible high, and then during the course of the last two years, as we've, together, gone through some very difficult times, has gotten rockier and tougher. And it's going to, I'm sure, have some more ups and downs during the course of me being in this office.

But the one thing that I just want to end on is getting out of here is good for me, too, because when I travel around the country, even in the toughest of these debates -- in the midst of health care last year during the summer when there were protesters about, and when I'm meeting families who've lost loved ones in Afghanistan or Iraq -- I always come away from those interactions just feeling so much more optimistic about this country.

We have such good and decent people who, on a day-to-day basis, are finding all kinds of ways to live together and educate kids and grow their communities and improve their communities and create businesses and work together to create great new products and services. The American people always make me optimistic.

And that's why, during the course of the last two years, as tough as it's been, as many sometimes scary moments as we've gone through, I've never doubted that we're going to emerge stronger than we were before. And I think that remains true, and I'm just going to be looking forward to playing my part in helping that journey along.

All right? Thank you very much, everybody.