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Barack Obama

Third Major Press Conference (on Iran and Health Care)



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Good afternoon, everybody. Today, I want to start by addressing three issues, and then I'll take your questions.

First, I'd like to say a few words about the situation in Iran. The United States and the international community have been appalled and outraged by the threats, the beatings, and imprisonments of the last few days. I strongly condemn these unjust actions, and I join with the American people in mourning each and every innocent life that is lost.

I've made it clear that the United States respects the sovereignty of the Islamic Republic of Iran, and is not interfering with Iran's affairs. But we must also bear witness to the courage and the dignity of the Iranian people, and to a remarkable opening within Iranian society. And we deplore the violence against innocent civilians anywhere that it takes place.

The Iranian people are trying to have a debate about their future. Some in Iran -- some in the Iranian government, in particular, are trying to avoid that debate by accusing the United States and others in the West of instigating protests over the election. These accusations are patently false. They're an obvious attempt to distract people from what is truly taking place within Iran's borders. This tired strategy of using old tensions to scapegoat other countries won't work anymore in Iran. This is not about the United States or the West; this is about the people of Iran, and the future that they -- and only they -- will choose.

The Iranian people can speak for themselves. That's precisely what's happened in the last few days. In 2009, no iron fist is strong enough to shut off the world from bearing witness to peaceful protests of justice. Despite the Iranian government's efforts to expel journalists and isolate itself, powerful images and poignant words have made their way to us through cell phones and computers, and so we've watched what the Iranian people are doing.



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This is what we've witnessed. We've seen the timeless dignity of tens of thousands of Iranians marching in silence. We've seen people of all ages risk everything to insist that their votes are counted and that their voices are heard. Above all, we've seen courageous women stand up to the brutality and threats, and we've experienced the searing image of a woman bleeding to death on the streets. While this loss is raw and extraordinarily painful, we also know this: Those who stand up for justice are always on the right side of history.

As I said in Cairo, suppressing ideas never succeeds in making them go away. The Iranian people have a universal right to assembly and free speech. If the Iranian government seeks the respect of the international community, it must respect those rights and heed the will of its own people. It must govern through consent and not coercion. That's what Iran's own people are calling for, and the Iranian people will ultimately judge the actions of their own government.

Now, the second issue I want to address is our ongoing effort to build a clean energy economy.

This week, the House of Representatives is moving ahead on historic legislation that will transform the way we produce and use energy in America. This legislation will spark a clean energy transformation that will reduce our dependence on foreign oil and confront the carbon pollution that threatens our planet.

This energy bill will create a set of incentives that will spur the development of new sources of energy, including wind, solar, and geothermal power. It will also spur new energy savings, like efficient windows and other materials that reduce heating costs in the winter and cooling costs in the summer.

These incentives will finally make clean energy the profitable kind of energy. And that will lead to the development of new technologies that lead to new industries that could create millions of new jobs in America -- jobs that can't be shipped overseas.

At a time of great fiscal challenges, this legislation is paid for by the polluters who currently emit the dangerous carbon emissions that contaminate the water we drink and pollute the air that we breathe. It also provides assistance to businesses and communities as they make the gradual transition to clean energy technologies.

So I believe that this legislation is extraordinarily important for our country; it's taken great effort on the part of many over the course of the past several months. And I want to thank the Chair of the Energy and Commerce Committee, Henry Waxman; his colleagues on that committee, including Congressmen Dingell, Ed Markey, and Rick Boucher. I also want to thank Charlie Rangel, the Chair of the Ways and Means Committee, and Collin Peterson, the Chair of the Agriculture Committee, for their many and ongoing contributions to this process. And I want to express my appreciation to Nancy Pelosi and Steny Hoyer for their leadership.



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We all know why this is so important. The nation that leads in the creation of a clean energy economy will be the nation that leads the 21st century's global economy. That's what this legislation seeks to achieve -- it's a bill that will open the door to a better future for this nation. And that's why I urge members of Congress to come together and pass it.

The last issue I'd like to address is health care.

Right now, Congress is debating various health care reform proposals. This is obviously a complicated issue, but I am very optimistic about the progress that they're making.

Like energy, this is legislation that must and will be paid for. It will not add to our deficits over the next decade. We will find the money through savings and efficiencies within the health care system -- some of which we've already announced.

We will also ensure that the reform we pass brings down the crushing cost of health care. We simply can't have a system where we throw good money after bad habits. We need to control the skyrocketing costs that are driving families, businesses, and our government into greater and greater debt.

There's no doubt that we must preserve what's best about our health care system, and that means allowing Americans who like their doctors and their health care plans to keep them. But unless we fix what's broken in our current system, everyone's health care will be in jeopardy. Unless we act, premiums will climb higher, benefits will erode further, and the rolls of the uninsured will swell to include millions more Americans. Unless we act, one out of every five dollars that we earn will be spent on health care within a decade. And the amount our government spends on Medicare and Medicaid will eventually grow larger than what our government spends on everything else today.

When it comes to health care, the status quo is unsustainable and unacceptable. So reform is not a luxury, it's a necessity. And I hope that Congress will continue to make significant progress on this issue in the weeks ahead.

So let me open it up for questions, and I'll start with you, Jennifer.

Q: Thank you, Mr. President. Your administration has said that the offer to talk to Iran's leaders remains open. Can you say if that's still so, even with all the violence that has been committed by the government against the peaceful protesters? And if it is, is there any red line that your administration won't cross where that offer will be shut off?

President Obama: Well, obviously what's happened in Iran is profound. And we're still waiting to see how it plays itself out. My position coming into this office has been that the United States has core national security interests in making sure that Iran doesn't possess a nuclear weapon and it stops exporting terrorism outside of its borders.



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We have provided a path whereby Iran can reach out to the international community, engage, and become a part of international norms. It is up to them to make a decision as to whether they choose that path. What we've been seeing over the last several days, the last couple of weeks, obviously is not encouraging, in terms of the path that this regime may choose to take. And the fact that they are now in the midst of an extraordinary debate taking place in Iran may end up coloring how they respond to the international community as a whole.

We are going to monitor and see how this plays itself out before we make any judgments about how we proceed. But just to reiterate, there is a path available to Iran in which their sovereignty is respected, their traditions, their culture, their faith is respected, but one in which they are part of a larger community that has responsibilities and operates according to norms and international rules that are universal. We don't know how they're going to respond yet, and that's what we're waiting to see.

Q: So should there be consequences for what's happened so far?

President Obama: I think that the international community is, as I said before, bearing witness to what's taking place. And the Iranian government should understand that how they handle the dissent within their own country, generated indigenously, internally, from the Iranian people, will help shape the tone not only for Iran's future but also its relationship to other countries.

Since we're on Iran, I know Nico Pitney is here from Huffington Post.

Q: Thank you, Mr. President.

President Obama: Nico, I know that you, and all across the Internet, we've been seeing a lot of reports coming directly out of Iran. I know that there may actually be Questions from people in Iran who are communicating through the Internet. Do you have a question?

Q: Yes, I did, I wanted to use this opportunity to ask you a question directly from an Iranian. We solicited questions last night from people who are still courageous enough to be communicating online, and one of them wanted to ask you this: Under which conditions would you accept the election of Ahmadinejad? And if you do accept it without any significant changes in the conditions there, isn't that a betrayal of what the demonstrators there are working towards?

President Obama: Well, look, we didn't have international observers on the ground. We can't say definitively what exactly happened at polling places throughout the country. What we know is that a sizeable percentage of the Iranian people themselves, spanning Iranian society, consider this election illegitimate. It's not an isolated instance -- a little grumbling here or there. There is significant questions about the legitimacy of the election.



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And so ultimately the most important thing for the Iranian government to consider is legitimacy in the eyes of its own people, not in the eyes of the United States. And that's why I've been very clear: Ultimately, this is up to the Iranian people to decide who their leadership is going to be and the structure of their government.

What we can do is to say unequivocally that there are sets of international norms and principles about violence, about dealing with peaceful dissent, that spans cultures, spans borders. And what we've been seeing over the Internet and what we've been seeing in news reports violates those norms and violates those principles.

I think it is not too late for the Iranian government to recognize that there is a peaceful path that will lead to stability and legitimacy and prosperity for the Iranian people. We hope they take it.

Jeff Mason of Reuters.

Q: Right here, sir. Switching gears slightly, in light of the financial regulation and reform that you have made, how do you rate the performance of the Fed in handling the financial crisis? And more specifically, how do you rate the performance of Ben Bernanke, and would you like him to stay on when his term ends in January?

President Obama: I'm not going to make news about Ben Bernanke -- although I think he has done a fine job under very difficult circumstances.

I would say that all financial regulators didn't do everything that needed to be done to prevent the crisis from happening. And that's why we've put forward the boldest set of reforms in financial regulation in 75 years, because there were too many gaps where there were laws on the books that would have brought about a prevention of the crisis; the enforcement wasn't there. In some cases, there just weren't sufficient laws on the books -- for example, with the non-banking sector.

I think that the Fed probably performed better than most other regulators prior to the crisis taking place, but I think they'd be the first to acknowledge that in dealing with systemic risk and anticipating systemic risk, they didn't do everything that needed to be done.

I think since the crisis has occurred, Ben Bernanke has performed very well. And one of the central concepts behind our financial regulatory reform is that there's got to be somebody who is responsible not just for monitoring the health of individual institutions, but somebody who's monitoring the systemic risks of the system as a whole. And we believe that the Fed has the most technical expertise and the best track record in terms of doing that.



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But that's not the only part of financial regulation. One of the things that we're putting a huge amount of emphasis on is the issue of consumer protection -- whether it's subprime loans that were given out because nobody was paying attention to what was being peddled to consumers, whether it's how credit cards are handled, how annuities are dealt with, what people can expect in terms of understanding their 401(k)s. There's a whole bunch of financial transactions out there where consumers are not protected the way they should, and that's why we said we're going to put forward a consumer financial protection agency whose only job it is to focus on those issues.

Now, the Fed was one of the regulators that had some of those consumer responsibilities. We actually think that they're better off focusing on issues of broad systemic risk, and we have just one agency that's focused on the consumer protection side.

Q: But is the Fed getting too powerful?

President Obama: If you look at what we've proposed, we are not so much expanding the Fed's power as we are focusing what the Fed needs to do to prevent the kinds of crises that are happening again. Another good example is the issue of resolution authority. I think it wasn't that long ago where everybody was properly outraged about AIG, and the enormous amounts of money the taxpayers had to put into AIG in order to prevent it from dragging the entire financial system down with it.

Had we had the kinds of resolution authority, the kinds of laws that were in place that would allow a orderly winding down of AIG, then potentially taxpayers could have saved a huge amount of money. We want that power to be available so that taxpayers aren't on the hook.

All right? Major Garrett. Where's Major?

Q: Right here, sir. In your opening remarks, sir, you were -- you said about Iran that you were appalled and outraged. What took you so long to say those words?

President Obama: I don't think that's accurate. Track what I've been saying. Right after the election, I said that we had profound concerns about the nature of the election, but that it was not up to us to determine what the outcome was. As soon as violence broke out -- in fact, in anticipation of potential violence -- we were very clear in saying that violence was unacceptable, that that was not how governments operate with respect to their people.

So we've been entirely consistent, Major, in terms of how we've approached this. My role has been to say the United States is not going to be a foil for the Iranian government to try to blame what's happening on the streets of Tehran on the CIA or on the White House; that this is an issue that is led by and given voice to the frustrations of the Iranian people. And so we've been very consistent the first day, and we're going to continue to be consistent in saying this is not an issue about the United States; this is about an issue of the Iranian people.



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What we've also been consistent about is saying that there are some universal principles, including freedom of assembly and freedom of speech, making sure that governments are not using coercion and violence and repression in terms of how they interact with peaceful demonstrators. And we have been speaking out very clearly about that fact.

Q: Are Iranian diplomats still welcome at the embassy on the Fourth of July, sir?

President Obama: Well, I think as you're aware, Major, we don't have formal diplomatic relations with -- we don't have formal diplomatic relations with Iran. I think that we have said that if Iran chooses a path that abides by international norms and principles, then we are interested in healing some of the wounds of 30 years, in terms of U.S.-Iranian relations. But that is a choice that the Iranians are going to have to make.

Q: But the offer still stands?

President Obama: That's a choice the Iranians are going to have to make.

David Jackson.

Q: Thank you, Mr. President. Two of the key players in the insurance industry, America's Health Insurance Plans and Blue Cross-Blue Shield, sent a letter to the Senate this morning saying that a government health insurance plan would "dismantle" private insurers. Why are they wrong? And secondly, this public plan, is this non-negotiable? Would you sign a health care bill without it?

President Obama: Well, let's talk first of all about health care reform more broadly.

I think in this debate there's been some notion that if we just stand pat we're okay. And that's just not true. You know, there are polls out that show that 70 or 80 percent of Americans are satisfied with the health insurance that they currently have. The only problem is that premiums have been doubling every nine years, going up three times faster than wages. The U.S. government is not going to be able to afford Medicare and Medicaid on its current trajectory. Businesses are having to make very tough decisions about whether we drop coverage or we further restrict coverage.

So the notion that somehow we can just keep on doing what we're doing and that's okay, that's just not true. We have a longstanding critical problem in our health care system that is pulling down our economy, it's burdening families, it's burdening businesses, and it is the primary driver of our federal deficits. All right?



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So if we start from the premise that the status quo is unacceptable, then that means we're going to have to bring about some serious changes. What I've said is, our top priority has to be to control costs. And that means not just tinkering around the edges. It doesn't mean just lopping off reimbursements for doctors in any given year because we're trying to fix our budget. It means that we look at the kinds of incentives that exist, what our delivery system is like, why it is that some communities are spending 30 percent less than other communities but getting better health care outcomes, and figuring out how can we make sure that everybody is benefiting from lower costs and better quality by improving practices. It means health IT. It means prevention.

So all these things are the starting point, I think, for reform. And I've said very clearly: If any bill arrives from Congress that is not controlling costs, that's not a bill I can support. It's going to have to control costs. It's going to have to be paid for. So there's been a lot of talk about, well, a trillion-dollar price tag. What I've said is, if we're going to spend that much money, then it's going to be largely funded through reallocating dollars that are already in the health care system but aren't being spent well. If we're spending \$177 billion over 10 years to subsidize insurance companies under Medicare Advantage, when there's no showing that people are healthier using that program than the regular Medicare program, well, that's not a good deal for taxpayers. And we're going to take that money and we're going to use it to provide better care at a cheaper cost to the American people. So that's point number one.

Number two, while we are in the process of dealing with the cost issue, I think it's also wise policy and the right thing to do to start providing coverage for people who don't have health insurance or are underinsured, are paying a lot of money for high deductibles. I get letters -- two, three letters a day -- that I read of families who don't have health insurance, are going bankrupt, are on the brink of losing their insurance; have deductibles that are so high that even with insurance they end up with \$50,000, \$100,000 worth of debt; are at risk of losing their homes.

And that has to be part of reform, making sure that even if you've got health insurance now, you are not worried that when you lose your job or your employer decides to change policies that somehow you're going to be out of luck. I think about the woman who was in Wisconsin that I was with, who introduced me up in Green Bay -- 36 years old, double mastectomy; breast cancer has now moved to her bones and she's got two little kids, a husband with a job. They had health insurance, but they're still \$50,000 in debt, and she's thinking, my main legacy, if I don't survive this thing, is going to be leaving \$100,000 worth of debt. So those are the things that I'm prioritizing.

Now, the public plan I think is an important tool to discipline insurance companies. What we've said is, under our proposal, let's have a system the same way that federal employees do, same way that members of Congress do, where -- we call it an "exchange," or you can call it a "marketplace" -- where essentially you've got a whole bunch of different plans.



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If you like your plan and you like your doctor, you won't have to do a thing. You keep your plan. You keep your doctor. If your employer is providing you good health insurance, terrific, we're not going to mess with it.

But if you're a small business person, if the insurance that's being offered is something you can't afford, if you want to shop for a better price, then you can go to this exchange, this marketplace, and you can look: Okay, this is how much this plan costs, this is how much that plan costs, this is what the coverage is like, this is what fits for my family. As one of those options, for us to be able to say, here's a public option that's not profit-driven, that can keep down administrative costs and that provides you good, quality care for a reasonable price -- as one of the options for you to choose, I think that makes sense.

Q: Won't that drive private insurers out of business?

President Obama: Why would it drive private insurers out of business? If private insurers say that the marketplace provides the best quality health care, if they tell us that they're offering a good deal, then why is it that the government -- which they say can't run anything -- suddenly is going to drive them out of business? That's not logical.

Now, I think that there's going to be some healthy debates in Congress about the shape that this takes. I think there can be some legitimate concerns on the part of private insurers that if any public plan is simply being subsidized by taxpayers endlessly, that over time they can't compete with the government just printing money.

So there are going to be some I think legitimate debates to be had about how this private plan takes shape. But just conceptually, the notion that all these insurance companies who say they're giving consumers the best possible deal, that they can't compete against a public plan as one option, with consumers making the decision what's the best deal. That defies logic, which is why I think you've seen in the polling data overwhelming support for a public plan. All right?

Q: Is that non-negotiable?

President Obama: Chip.

Q: Thank you, Mr. President. Following up on Major's question, some republicans on Capitol Hill -- John McCain and Lindsey Graham, for example -- have said that up to this point, your response on Iran has been timid and weak. Today, it sounded a lot stronger. It sounded like the kind of speech John McCain has been urging you to give, saying that those who stand up for justice are always on the right side of history, referring to an iron fist in Iran -- "deplore," "appalled," "outraged." Were you influenced at all by John McCain and Lindsey Graham accusing you of being timid and weak?



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President Obama: What do you think? Look, the -- I think John McCain has genuine passion about many of these international issues, and I think that all of us share a belief that we want justice to prevail. But only I'm the President of the United States, and I've got responsibilities in making certain that we are continually advancing our national security interests and that we are not used as a tool to be exploited by other countries.

I mean, you guys must have seen the reports. They've got some of the comments that I've made being mistranslated in Iran, suggesting that I'm telling rioters to go out and riot some more. There are reports suggesting that the CIA is behind all this -- all of which are patently false. But it gives you a sense of the narrative that the Iranian government would love to play into. So the -- members of Congress, they've got their constitutional duties, and I'm sure they will carry them out in the way that they think is appropriate. I'm President of the United States, and I'll carry out my duties as I think are appropriate. All right?

Q: By speaking so strongly today, aren't you giving the leadership in Iran the fodder to make those arguments that it is about the United States?

President Obama: Look, I mean, I think that -- we can parse this as much as we want. I think if you look at the statements that I've made, they've been very consistent. I just made a statement on Saturday in which we said we deplore the violence. And so I think that in the hothouse of Washington, there may be all kinds of stuff going back and forth in terms of Republican critics versus the administration. That's not what is relevant to the Iranian people. What's relevant to them right now is, are they going to have their voices heard?

And, frankly, a lot of them aren't paying a lot of attention to what's being said on Capitol Hill, and probably aren't spending a lot of time thinking about what's being said here. They're trying to figure out how can they make sure justice is served in Iran.

Q: So there's no news in your statement today?

President Obama: Chuck Todd.

Q: Mr. President, I want to follow up on Iran. You have avoided twice spelling out consequences. You've hinted that there would be, from the international community, if they continue to violate -- you said violate these norms. You seem to hint that there are human rights violations taking place./

President Obama: I'm not hinting. I think that when a young woman gets shot on the street when she gets out of her car, that's a problem.

Q: Then why won't you spell out the consequences that the Iranian --



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President Obama: Because I think, Chuck, that we don't know yet how this thing is going to play out. I know everybody here is on a 24-hour news cycle. I'm not.

Q: But shouldn't -- I mean, shouldn't the world and Iran --

President Obama: Chuck, I answered --

Q: -- but shouldn't the Iranian regime know that there are consequences?

President Obama: I answered the question, Chuck, which is that we don't yet know how this is going to play out.

Jake Tapper.

Q: Thank you, Mr. President. Before I ask my question, I'm wondering if you could actually answer David's. Is the public plan non-negotiable?

President Obama: That's your question.

Q: Well, you didn't answer --

President Obama: You think you're going to -- are you the ombudsman for the White House press corps? What's your -- is that your question?

Q: Then I have a two-part question. Is the public plan non-negotiable? And while I appreciate your Spock-like language about the logic of the health care plan, the public plan, it does seem logical to a lot of people that if the government is offering a cheaper health care plan, then lots of employers will want to have their employees covered by that cheaper plan, which will not have to be for profit, unlike private plans, and may possibly benefit from some government subsidies, who knows. And then their employees would be signed up for this public plan, which would violate what you're promising the American people, that they will not have to change health care plans if they like the plan they have.

President Obama: I got you. You're pitching, I'm catching. I got the question. First of all, was the reference to Spock -- is that a crack on my ears? All right, I just want to make sure. No?

Q: I would never make fun of your ears, sir.

President Obama: In answer to David's question, which you co-opted, we are still early in this process, so we have not drawn lines in the sand other than that reform has to control costs and that it has to provide relief to people who don't have health insurance or are underinsured. Those are the broad parameters that we've discussed.



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There are a whole host of other issues where ultimately I may have a strong opinion, and I will express those to members of Congress as this is shaping up. It's too early to say that. Right now I will say that our position is that a public plan makes sense.

Now, let me go to the broader question you made about the public plan. As I said before, I think that there is a legitimate concern if the public plan was simply eating off the taxpayer trough, that it would be hard for private insurers to compete. If, on the other hand, the public plan is structured in such a way where they've got to collect premiums and they've got to provide good services, then if what the insurance companies are saying is true, that they're doing their best to serve their customers, that they're in the business of keeping people well and giving them security when they get sick, they should be able to compete.

Now, if it turns out that the public plan, for example, is able to reduce administrative costs significantly, then you know what? I'd like insurance companies to take note and say, hey, if the public plan can do that, why can't we? And that's good for everybody in the system. And I don't think there should be any objection to that.

Now, by the way, I should point out that part of the reform that we've suggested is that if you want to be a private insurer as part of the exchange, as part of this marketplace, this menu of options that people can choose from, we're going to have some different rules for all insurance companies -- one of them being that you can't preclude people from getting health insurance because of a pre-existing condition, you can't cherry pick and just take the healthiest people.

So there are going to be some ground rules that are going to apply to all insurance companies, because I think the American people understand that, too often, insurance companies have been spending more time thinking about how to take premiums and then avoid providing people coverage than they have been thinking about how can we make sure that insurance is there, health care is there when families need it.

But I'm confident that if -- I take those advocates of the free market to heart when they say that the free market is innovative and is going to compete on service and is going to compete on their ability to deliver good care to families. And if that's the case then this just becomes one more option. If it's not the case then I think that that's something that the American people should know.

Q: I'm sorry, but what about keeping your promise to the American people that they won't have to change plans even if employers --

President Obama: Well, no, no, I mean -- when I say if you have your plan and you like it and your doctor has a plan, or you have a doctor and you like your doctor that you don't have to change plans, what I'm saying is the government is not going to make you change plans under health reform.



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Now, are there going to be employers right now -- assuming we don't do anything -- let's say that we take the advice of some folks who are out there and say, oh, this is not the time to do health care, we can't afford it, it's too complicated, let's take our time, et cetera. So let's assume that nothing happened. I can guarantee you that there's a possibility for a whole lot of Americans out there that they're not going to end up having the same health care they have, because what's going to happen is, as costs keep on going up, employers are going to start making decisions: We've got to raise premiums on our employees; in some cases, we can't provide health insurance at all.

And so there are going to be a whole set of changes out there. That's exactly why health reform is so important.

Margaret, from McClatchy. Where's Margaret? There you are.

Q: Thank you, Mr. President. As a former smoker, I understand the frustration and the fear that comes with quitting. But with the new law that you signed yesterday regulating the tobacco industry, I'd like to ask you a few questions. How many cigarettes a day --

President Obama: A few questions?

Q: How many cigarettes a day do you now smoke? Do you smoke alone or in the presence of other people? And do you believe the new law would help you to quit? If so, why?

President Obama: Well, first of all, the new law that was put in place is not about me, it's about the next generation of kids coming up. So I think it's fair, Margaret, to just say that you just think it's neat to ask me about my smoking, as opposed to it being relevant to my new law. But that's fine, I understand. It's an interesting human -- it's an interesting human interest story.

But I've said before that, as a former smoker, I constantly struggle with it. Have I fallen off the wagon sometimes? Yes. Am I a daily smoker, a constant smoker? No. I don't do it in front of my kids, I don't do it in front of my family, and I would say that I am 95 percent cured, but there are times where -- there are times where I mess up. And, I mean, I've said this before. I get this question about once every month or so, and I don't know what to tell you, other than the fact that, like folks who go to AA, once you've gone down this path, then it's something you continually struggle with, which is precisely why the legislation we signed was so important, because what we don't want is kids going down that path in the first place. Okay?

Macarena Vidal?



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Q: Mr. President, you're meeting today with Chilean President Michelle Bachelet. You're meeting next week with Alvaro Uribe from Colombia. Two months ago in Trinidad at the Summit of the Americas, you said that -- you called on Latin American countries to help you with deeds, not words, particularly towards less democratic countries. Have you noticed any particular progress in these two months, and can you give us examples?

President Obama: Well, first of all, I'm very much looking forward to seeing President Bachelet. I think she's one of the finest leaders in Latin America, a very capable person. If you look at how Chile has handled the recession, they've handled it very well in part because the surpluses that they got when copper prices were high they set aside. And so they had the resources to deal with the downturn. It's a good lesson for the United States. When we had surpluses, they got dissipated.

We think that there's enormous possibilities of making progress in Latin America generally. One of the things that I'll be talking about with President Bachelet is the coordination and cooperation between the United State and Chile on clean energy. We'll have an announcement when we do our press conference after my bilateral meeting on some important clean energy partnerships. We're making important progress when it comes to exchanges on cancer research. We continue to have a robust trade regime with Chile. And, by the way, Chile has actually entered into some very interesting partnerships not just with the federal government, but also with state governments like California.

So I think the relationship that we have with Chile -- which, by the way, does not fall in line with U.S. foreign policy on every single issue -- but it's a respectful policy. Chile is an important partner. I think that's the model that we want: partnership. The United States doesn't dictate how Chile should view its own interests, but in fact we've achieved great cooperation. And I will be looking at President Bachelet giving us further advice in terms of how we can take the kind of relationship we have with Chile and expand that to our relationships throughout Latin America.

Q: But my question is not only about that -- Chile, but about Latin American countries giving you a hand on -- against less democratic countries.

President Obama: Well, the point is, is that I think Chile is leading by example. So I'm using Chile as an example. But the same is true in Brazil, for example. I mean, President Lula came in, and he's got a very different political orientation than most Americans do. He came up through the trade union movement. He was perceived as a strong leftist. It turns out that he was a very practical person, who although maintains relationships across the political spectrum in Latin America, has instituted all sorts of smart market reforms that have made Brazil prosper.



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And so if you take a Bachelet or a Lula, and the United States has a good working relationship with them, then I think that points the way for other countries that may be where the democratic tradition is not as deeply embedded as we'd like it to be. And we can make common cause in showing those countries that, in fact, democracy, respect for property rights, respects for market-based economies, rule of law -- that all those things can in fact lead to greater prosperity, that that's not just a U.S. agenda, but that's a smart way to increase the prosperity of your own people.

Okay, Hans Nichols. Hans.

Q: Thank you, Mr. President. If I can just return to the economy more generally. When you were selling the economic stimulus package, you talked and your advisors and economists talked about keeping unemployment below 8 percent. Last week you acknowledged that unemployment is likely to reach double digits, being 10 percent. Do you think you need a second stimulus package?

President Obama: Well, not yet, because I think it's important to see how the economy evolves and how effective the first stimulus is. I think it's fair to say that -- keep in mind the stimulus package was the first thing we did, and we did it a couple of weeks after inauguration. At that point nobody understood what the depths of this recession were going to look like. If you recall, it was only significantly later that we suddenly get a report that the economy had tanked.

And so it's not surprising then that we missed the mark in terms of our estimates of where unemployment would go. I think it's pretty clear now that unemployment will end up going over 10 percent, if you just look at the pattern, because of the fact that even after employers and businesses start investing again and start hiring again, typically it takes a while for that employment number to catch up with economic recovery. And we're still not at actual recovery yet.

So I anticipate that this is going to be a difficult -- difficult year, a difficult period.

Q: What's the high water mark, then, for unemployment? Eleven percent?

President Obama: Well, I'm not suggesting that I have a crystal ball. Since you just threw back at us our last prognosis, let's not -- let's not engage in another one.

Q: Does that mean you won't be making predictions ever?

President Obama: But what I am saying is that -- here are some things I know for certain. In the absence of the stimulus, I think our recession would be much worse. It would have declined -- without the Recovery Act -- we know for a fact that states, for example, would have laid off a lot more teachers, a lot more police officers, a lot more firefighters, every single one of those individuals whose jobs were saved.



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As a consequence, they are still making their mortgage payments, they are still shopping. So we know that the Recovery Act has had an impact.

Now, what we also know is this was the worst recession since the Great Depression, and people are going through a very tough time right now. And I don't expect them to be satisfied. I mean, one thing that -- as I sometimes glance at the various news outlets represented here, I know that they're sometimes reporting of, oh, the administration is worried about this, or their poll numbers are going down there -- look, the American people have a right to feel like this is a tough time right now. What's incredible to me is how resilient the American people have been and how they are still more optimistic than the facts alone would justify, because this is a tough, tough period.

And I don't feel satisfied with the progress that we've made. We've got to get our Recovery Act money out faster. We've got to make sure that the programs that we've put in place are working the way they're supposed to. I think, for example, our mortgage program has actually helped to modify mortgages for a lot of people, but it hasn't been keeping pace with all the foreclosures that are taking place. I get letters every day from people who say, you know, I appreciate that you put out this mortgage program, but the bank is still not letting me modify my mortgage and I'm about to lose my home. And then I've got to call my staff and team and find out why isn't it working for these folks, and can we adjust it, can we tweak it, can we make it more aggressive?

This is a very, very difficult process. And what I've got to do is to make sure that we're focused both on the short term, how can we provide families immediate relief and jumpstart the economy as quickly as possible; and I've got to keep my eye on the long term, and the long term is making sure that by reforming our health care system, by passing serious energy legislation that makes us a clean energy economy, by revamping our education system, by finally getting the financial regulatory reforms in place that are necessary for the 21st century -- by doing all those things, we've got a foundation for long-term economic growth, and we don't end up having to juice up the economy artificially through the kinds of bubble strategies that helped to get us in the situation that we're in today.

Okay. I've got time for two more questions. April. Where's April?

Q: Right here.

President Obama: There you are. How are you?

Q: I'm fine. Back on the economy, Mr. President, people are criticizing this road to recovery plan. Specifically, there are reports in The Washington Post that say that the African America unemployment rate will go to 20 percent by the end of this year. And then you had your Chairman of Economic Advisers say the target intervention may come next year if nothing changes. Why not target intervention now to stop the bloodletting in the black unemployment rate?



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President Obama: Look, first of all, we know that the African American unemployment rate, the Latino unemployment rate, are consistently higher than the national average. And so, if the economy as a whole is doing poorly, then you know that the African American community is going to be doing poorly, and they're going to be hit even harder. And the best thing that I can do for the African American community or the Latino community or the Asian community, whatever community, is to get the economy as a whole moving. If I don't -- hold on one second, let me answer the question -- if I don't do that, then I'm not going to be able to help anybody. So that's priority number one.

It is true that in certain inner-city communities, the unemployment rate is -- was already sky high even before this recession. The ladders available for people to enter into the job market are even worse. And so we are interested in looking at proven programs that help people on a pathway to jobs.

There was a reason why right before Father's Day I went to a program here locally in Washington called Year Up, which has a proven track record of taking young, mostly minority people, some of whom have graduated from high school, some maybe who've just gotten their GED, and trained them on computers and provide them other technical skills, but also train them on how to carry themselves in an office, how to write an e-mail -- some of the social skills that will allow them to be more employable. They've got a terrific placement rate after this one-year program. If there are ways that we can potentially duplicate some of those programs, then we're going to do so.

So part of what we want to do is to find tools that will give people more opportunity, but the most important thing I can do is to lift the economy overall. And that's what my strategy is focused on.

All right. Last Question. Suzanne.

Q: Thank you. Back to Iran, putting a human face on this. Over the weekend, we saw a shocking video of this woman, Neda, who had been shot in the chest and bled to death. Have you seen this video?

President Obama: I have.

Q: What's your reaction?

President Obama: It's heartbreaking. It's heartbreaking. And I think that anybody who sees it knows that there's something fundamentally unjust about that.

Q: We also have people on the ground who have been saying that the streets are quieter now and that is because they feel that they're paralyzed by fear -- fear of people gone missing, fear of violence, that perhaps this is a movement that's gone underground or perhaps is dying. Do you have any concern over that?



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President Obama: Yes. I have concern about how peaceful demonstrators and people who want their votes counted may be stifled from expressing those concerns. I think, as I said before, there are certain international norms of freedom of speech, freedom of expression --

Q: Then why won't you allow the photos --

President Obama: Hold on a second, Helen. That's a different question. And I think it's important for us to make sure that we let the Iranian people know that we are watching what's happening, that they are not alone in this process. Ultimately, though, what's going to be most important is what happens in Iran. And we've all been struck by the courage of people. And I mentioned this I think in a statement that I made a couple of days ago. Some of you who had been covering my campaigns know this is one of my favorite expressions, was Dr. King's expression that "the arc of the moral universe is long, but it bends towards justice." We have to believe that ultimately justice will prevail.

All right. Thank you, guys.