

# The White House

## Office of the Press Secretary

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**For Immediate Release**

**December 22, 2010**

### **News Conference by The President**

#### **South Court Auditorium, Eisenhower Executive Office Building**

4:16 P.M. EST

THE PRESIDENT: Hello, everybody. Good afternoon. I know everybody is itching to get out of here and spend some time with their families. I am, too. I noticed some of you colleagues have been reporting from Hawaii over the last week. But I just wanted to say a few words about the progress that we've made on some important issues over these last few weeks.

A lot of folks in this town predicted that after the midterm elections, Washington would be headed for more partisanship and more gridlock. And instead, this has been a season of progress for the American people. That progress is reflecting -- is a reflection of the message that voters sent in November -- a message that said it's time to find common ground on challenges facing our country. That's a message that I will take to heart in the New Year, and I hope my Democratic and Republican friends will do the same.

First of all, I am glad that Democrats and Republicans came together to approve my top national security priority for this session of Congress -- the New START treaty. This is the most significant arms control agreement in nearly two decades, and it will make us safer and reduce our nuclear arsenals along with Russia. With this treaty, our inspectors will also be back on the ground at Russian nuclear bases. So we will be able to trust but verify.

We'll continue to advance our relationship with Russia, which is essential to making progress on a host of challenges -- from enforcing strong sanctions on Iran to preventing nuclear weapons from falling into the hands of terrorists. And this treaty will enhance our leadership to stop the spread of nuclear weapons and seek the peace of a world without them.

The strong, bipartisan vote in the Senate sends a powerful signal to the world that Republicans and Democrats stand together on behalf of our security. And I especially want to thank the outstanding work done by Vice President Joe Biden; the Chairman of the Foreign Relations Committee, Senator John Kerry; and the Ranking Republican, Senator Richard Lugar, for their extraordinary efforts.

In fact, I just got off the phone with Dick Lugar, and reminded him the first trip I ever took as senator -- foreign trip -- was with Dick Lugar to Russia, to look at nuclear facilities there. And I told him how much I appreciated the work he had done and that there was a direct line between that trip that we took together when I was a first-year senator and the results of the vote today on the floor.

This all speaks to a tradition of bipartisan support for strong American leadership around the world -- and that's a tradition that was reinforced by the fact that the New START treaty won the backing of our military and our allies abroad.

In the last few weeks, we also came together across party lines to pass a package of tax cuts and unemployment insurance that will spur jobs, businesses and growth. This package includes a payroll tax cut that means nearly every American family will get an average tax cut next year of about a thousand dollars delivered in their paychecks. It will make a difference for millions of students and parents and workers and people still looking for work. It's led economists across the political spectrum to predict that the economy will grow faster than they originally thought next year.

In our ongoing struggle to perfect our union, we also overturned a 17-year-old law and a longstanding injustice by finally ending "don't ask, don't tell." As I said earlier today, this is the right thing to do for our security; it's the right thing to do, period.

In addition, we came together across party lines to pass a food safety bill -- the biggest upgrade of America's food safety laws since the Great Depression. And I hope the House will soon join the Senate in passing a 9/11 health bill that will help cover the health care costs of police officers, firefighters, rescue workers, and residents who inhaled toxic air near the World Trade Center on that terrible morning and the days that followed.

So I think it's fair to say that this has been the most productive post-election period we've had in decades, and it comes on the heels of the most productive two years that we've had in generations.

That doesn't mean that our business is finished. I am very disappointed Congress wasn't able to pass the DREAM Act so we can stop punishing kids for the actions of their parents, and allow them to serve in the military or earn an education and contribute their talents to the country where they grew up.

I'm also disappointed we weren't able to come together around a budget to fund our government over the long term. I expect we'll have a robust debate about this when we return from the holidays -- a debate that will have to answer an increasingly urgent question -- and that is how do we cut spending that we don't need while making investments that we do need -- investments in education, research and development, innovation, and the things that are essential to grow our economy over the long run, create jobs, and compete with every other nation in the world. I look forward to hearing from folks on both sides of the aisle about how we can accomplish that goal.

If there's any lesson to draw from these past few weeks, it's that we are not doomed to endless gridlock. We've shown, in the wake of the November elections, that we have the capacity not only to make progress, but to make progress together.

And I'm not naïve. I know there will be tough fights in the months ahead. But my hope heading into the New Year is that we can continue to heed the message of the American people and hold to a spirit of common purpose in 2011 and beyond. And if we do that, I'm convinced that we will lift up our middle class, we will rebuild our economy, and we will make our contribution to America's greatness.

Finally, before I take questions, I want to send a message to all those Americans who are spending Christmas serving our nation in harm's way. As I said in Afghanistan earlier this month, the American people stand united in our support and admiration for you. And in this holiday season, I'd ask the American people to keep our troops in your prayers, and lend a hand to those military families who have an empty seat at the table.

So with that, I'm going to take some questions. And I'm going to start with Caren Bohan.

Q Thank you, Mr. President. You racked up a lot of wins in the last few weeks that a lot of people thought would be difficult to come by. Are you ready to call yourself the "Comeback Kid"? And also, as you look ahead to 2011, are you worried that bipartisan agreement will be a lot harder to reach on issues like deficit reduction and maybe even tax reform?

THE PRESIDENT: Well, look, as I said right after the midterm elections, we took a shellacking. And I take responsibility for that. But I think what's happened over the last several weeks is not a victory for me, it's a victory for the American people. And the lesson I hope that everybody takes from this is that it's possible for Democrats and Republicans to have principled disagreements; to have some lengthy arguments but to ultimately find common ground to move the country forward.

That's what we did with taxes. Those arguments have not gone away. I still believe that it doesn't make sense for us to provide tax cuts to people like myself who don't need them when our deficit and debts are growing. That's a debate that's going to continue into 2011, and I know the Republicans feel just as strongly on the other side of that.

I think that we're still going to have disagreements in terms of spending priorities. It's vital for us to make investments in education and research and development -- all those things that create an innovative economy -- while at the same time cutting those programs that just aren't working. And there are going to be debates between the parties on those issues.

But what we've shown is that we don't have to agree on a hundred percent to get things done that enhance the lives of families all across America. And if we can sustain that spirit, then regardless of how the politics play out in 2012, the American people will be better for it. And that's my ultimate goal.

Jake Tapper.

Q Thanks, Mr. President. Merry Christmas.

THE PRESIDENT: Merry Christmas.

Q I have a couple questions about "don't ask, don't tell." First of all, congratulations. What was your conversation like with Marine Commandant Amos when he expressed to you his concerns and yet he said that he would abide by whatever -- whatever the ruling was? Can you understand why he had the position he did? And then on the other hand, is it intellectually consistent to say that gay and lesbians should be able to fight and die for this country but they should not be able to marry the people they love?

THE PRESIDENT: You know, I don't want to go into detail about conversations in the Oval Office with my service chiefs. Jim Amos expressed the same concerns to me privately that he expressed publicly during his testimony. He said that there could be disruptions as a consequence of this. And what I said to him was that I was confident, looking at the history of the military with respect to racial integration, with respect to the inclusion of women in our armed forces, that that could be managed. And that was confirmed by the attitudinal studies that was done prior to this vote.

And what he assured me of -- and what all the service chiefs have assured me of -- is that regardless of their concerns about disruptions, they were confident that they could implement this policy without it affecting our military cohesion and good discipline and readiness. And I take them at their word. And I've spoken to them since the vote took place and they have all said that we are going to implement this smartly and swiftly, and they are confident that it will not have an effect on our military effectiveness.

So I'm very heartened by that. And I want to, again, give Bob Gates and Admiral Mullen enormous credit for having guided this process through in a way that preserves our primary responsibility to keep America safe and at the same time allows us to live up to our values.

With respect to the issue of whether gays and lesbians should be able to get married, I've spoken about this recently. As I've said, my feelings about this are constantly evolving. I struggle with this. I have friends, I have people who work for me, who are in powerful, strong, long-lasting gay or lesbian unions. And they are extraordinary people, and this is something that means a lot to them and they care deeply about.

At this point, what I've said is, is that my baseline is a strong civil union that provides them the protections and the legal rights that married couples have. And I think -- and I think that's the right thing to do. But I recognize that from their perspective it is not enough, and I think is something that we're going to continue to debate and I personally am going to continue to wrestle with going forward.

Q But the military does not recognize civil unions, right?

THE PRESIDENT: I understand. And as I said, this is going to be an issue that is not unique to the military --

this is an issue that extends to all of our society, and I think we're all going to have to have a conversation about it.

Dan Lothian.

Q Thank you, Mr. President, and happy holidays.

THE PRESIDENT: Happy holidays.

Q Can you give us an update on that car that you talk about so much about being in the ditch? Can you give us an update as to where it is today? What kind of highway do you think it will be driving on in 2011? Who will really be behind the wheel, given the new makeup in Congress? And what do you think Republicans will be sipping and saying next year? (Laughter.)

THE PRESIDENT: Dan, you gave some thought to that question, didn't you?

Q I did. (Laughter.)

THE PRESIDENT: Well, I do think that the car is on level ground. I mean, the car is the economy. And I think we are past the crisis point in the economy, but we now have to pivot and focus on jobs and growth. And my singular focus over the next two years is not rescuing the economy from potential disaster, but rather jumpstarting the economy so that we actually start making a dent in the unemployment rate and we are equipping ourselves so that we can compete in the 21st century.

And that means we've got to focus on education, that means we have to focus on research and development, we have to focus on innovation. We have to make sure that in every sector, from manufacturing to clean energy to high-tech to biotech, that we recognize the private sector is going to be the driving force. And what the government can do is to make sure that we are a good partner with them, that we're a facilitator; that in some cases, we're a catalyst, when it's a fledgling industry.

And that means that we've got to look at some of our old dogmas -- both Democrats and Republicans, conservatives and liberals -- to think about what works. If there are regulations that are in place that are impeding innovation, let's get rid of those regulations. Let's make sure that we're also protecting consumers, and we're protecting the environment and protecting workers in the process. But let's find ways to do business that helps business.

People were doubtful about the approach that we took to the auto industry, but that was an example of there may be occasions -- certainly during crisis -- where a timely intervention that's limited and restricted can end up making a difference.

And so I think Democrats, Republicans, House, Senate, the White House -- all of us have to be in a conversation with the private sector about what's going to ensure that we can export and sell our products instead of just buying exports from someplace else. How do we make sure that the green technologies of the future are made here in America?

And how do we get all these profits that companies have been making since the economy recovered into productive investment and hiring? That's a conversation that I had with the 20 CEOs who came here, and that's a conversation I expect to continue in the months ahead.

But the answer about who drives -- the American people are driving the car. They're the ones who are going to be making an assessment as to whether we're putting in place policies that are working for them. And both parties are going to be held accountable and I'm going to be held accountable if we take a wrong turn on that front.

Q And what will the Republicans be sipping? (Laughter.)

THE PRESIDENT: You know, my sense is the Republicans recognize that with greater power is going to come greater responsibility. And some of the progress that I think we saw in the lame duck was a recognition on their part

that people are going to be paying attention to what they're doing, as well as what I'm doing and what the Democrats in Congress are doing.

Mark Knoller.

Q Yes, sir. Mr. President, can you explain the anger and even outrage many Democrats felt when the tax cut bill extended tax cuts not just for the middle class but also for the wealthy? And is that a divide that you may be contributing to when you and the Vice President talk about "morally inappropriate" tax cuts for the wealthy?

THE PRESIDENT: Look, the frustration that people felt about that was frustration I share. I've said that before, and I'll probably say it again. I don't think that over the long run we can afford a series of tax breaks for people who are doing very well and don't need it; were doing well when Bill Clinton was in office. They were still rich then, and they will still be rich if those tax cuts went away.

And so this is going to be a debate that we're going to be having over the next couple of years because I guarantee you, as soon as the new Congress is sworn in, we're going to have to have a conversation about how do we start balancing our budget, or at least getting to a point that's sustainable when it comes to our deficit and our debt.

And that's going to require us cutting programs that don't work, but it also requires us to be honest about paying for the things that we think are important. If we think it's important to make sure that our veterans are getting care that they need when they come back home from fighting in Afghanistan or Iraq, we can't just salute and wish them well and have a Veterans Day Parade. We got to make sure that there are doctors and nurses and facilities for post-traumatic stress disorder -- and that costs money.

If we say that education is going to be the single most important determinant for our children's success and this country's success in the 21st century, we can't have schools that are laying off so many teachers that they start going to four days a week, as they've done in Hawaii, for example.

We've got to make sure that young people can afford to go to college. If we want to keep our competitive edge in innovation, well, we've got to invest in basic research -- the same basic research that resulted in the Internet, the same basic research that invited -- that resulted in GPS. All those things originated in research funded by the government.

So we are going to have to compare the option of maintaining the tax cuts for the wealthy permanently versus spending on these things that we think are important. And that's a debate that I welcome. But I completely understand why not just Democrats but some Republicans might think that that part of the tax package we could have done without.

Having said that, I want to repeat -- compromise, by definition, means taking some things you don't like. And the overall package was the right one to ensure that this economy has the best possible chance to grow and create jobs. And there is no better anti-poverty program than an economy that's growing. There is no better deficit-reduction program than an economy that is growing. And if the economy started contracting, as it might have had we not gotten this tax agreement, then the choices that we would have to make would be even tougher.

Q Sir, is there a divide between middle-class and wealthy Americans?

THE PRESIDENT: I think middle-class folks would confirm what the statistics say, which is that they have not seen a real increase in their incomes in a decade, while their costs have skyrocketed. That's just a fact.

What is also a fact is that people in the top 1 percent, people in the top 1/10th of 1 percent, or 1/100th of 1 percent have a larger share of income and wealth than any time since the 1920s. Those are just facts. That's not a feeling on the part of Democrats. Those are facts.

And something that's always been the greatest strength of America is a thriving, booming middle class, where everybody has got a shot at the American Dream. And that should be our goal. That should be what we're focused

on. How are we creating opportunity for everybody? So that we celebrate wealth. We celebrate somebody like a Steve Jobs, who has created two or three different revolutionary products. We expect that person to be rich, and that's a good thing. We want that incentive. That's part of the free market.

But we also want to make sure that those of us who have been extraordinarily fortunate, that we're contributing to the larger American community so that a whole bunch of other kids coming up are doing well. And that means schools that work and infrastructure like roads and airports that function, and it means colleges and universities that teach and aren't restricted to just people who can afford it but are open to anybody with talent and a willingness to work. And that's going to be I think part of the conversation that we've got to have over the next couple years.

Juan Carlos López.

Q Gracias, Presidente. Feliz Navidad.

THE PRESIDENT: Feliz Navidad.

Q Mr. President, you've been able to fulfill many of your promises. Immigration reform isn't one of them. Just this last weekend, the DREAM Act failed cloture by five votes, and five Democrats didn't support it; three Republicans did. How are you going to be able to keep your promise when the Republicans control the House when you haven't been able to do so with Democrats controlling both the Senate and the House, and when Republicans say they want to focus on border security before they do anything on immigration?

THE PRESIDENT: Well, let me say, there are a number of things that I wanted to get accomplished that we did not get accomplished. For example, collective bargaining for firefighters and public safety workers -- that was something that I thought was important. We didn't get it done. I'm disappointed in that. I think we're still going to have to figure out how we work on energy, and that's an area that I want to immediately engage with Republicans to figure out.

But I will tell you, maybe my biggest disappointment was this DREAM Act vote. You know, I get letters from kids all across the country -- came here when they were five, came here when they were eight; their parents were undocumented. The kids didn't know -- kids are going to school like any other American kid, they're growing up, they're playing football, they're going to class, they're dreaming about college. And suddenly they come to 18, 19 years old and they realize even though I feel American, I am an American, the law doesn't recognize me as an American. I'm willing to serve my country, I'm willing to fight for this country, I want to go to college and better myself -- and I'm at risk of deportation.

And it is heartbreaking. That can't be who we are, to have kids -- our kids, classmates of our children -- who are suddenly under this shadow of fear through no fault of their own. They didn't break a law -- they were kids.

So my hope and expectation is that, first of all, everybody understands I am determined and this administration is determined to get immigration reform done. It is the right thing to do. I think it involves securing our borders, and my administration has done more on border security than any administration in recent years. We have more of everything -- ICE, Border Patrol, surveillance, you name it.

So we take border security seriously. And we take going after employers who are exploiting and using undocumented workers, we take that seriously. But we need to reform this immigration system so we are a nation of laws and we are a nation of immigrants. And at minimum, we should be able to get the DREAM Act done.

And so I'm going to go back at it and I'm going to engage in Republicans who, I think, some of them, in their heart of hearts, know it's the right thing to do, but they think the politics is tough for them.

Well, that may mean that we've got to change the politics. And I've got to spend some time talking to the American people, and others have to spend time talking to the American people, because I think that if the American people knew any of these kids -- they probably do, they just may not know their status -- they'd say, of course we want you. That's who we are. That's the better angels of our nature.

And so one thing I hope people have seen during this lame duck -- I am persistent. I am persistent. If I believe in something strongly, I stay on it. And I believe strongly in this.

And I am happy to engage with the Republicans about -- if they've got ideas about more on border security, I'm happy to have that conversation. And I think that it is absolutely appropriate for the American people to expect that we don't have porous borders and anybody can come in here any time. That is entirely legitimate.

But I also think about those kids. And I want to do right by them, and I think the country is going to want to do right by them, as well.

Mike Emanuel.

Q Thank you, Mr. President. Merry Christmas.

THE PRESIDENT: Merry Christmas.

Q Guantanamo, sir. I understand a draft of an executive order is being prepared for you, and I don't expect you to comment then on that --

THE PRESIDENT: Right.

Q It hasn't gotten to you yet.

THE PRESIDENT: Yes.

Q But it makes me wonder where you are, sir, at about the two-year mark on Guantanamo, when closing it was one of your initial priorities, sir?

THE PRESIDENT: Obviously, we haven't gotten it closed. And let me just step back and explain that the reason for wanting to close Guantanamo was because my number one priority is keeping the American people safe. One of the most powerful tools we have to keep the American people safe is not providing al Qaeda and jihadists recruiting tools for fledgling terrorists.

And Guantanamo is probably the number one recruitment tool that is used by these jihadist organizations. And we see it in the websites that they put up. We see it in the messages that they're delivering.

And so my belief is that we can keep the American people safe, go after those who would engage in terrorism. And my administration has been as aggressive in going after al Qaeda as any administration out there. And we've seen progress, as I noted during the Afghan review.

Every intelligence report that we're seeing shows that al Qaeda is more hunkered down than they have been since the original invasion of Afghanistan in 2001, that they have reduced financing capacity, reduced operational capacity. It is much more difficult for their top folks to communicate, and a lot of those top folks can't communicate because they're underground now.

But it is important for us, even as we're going aggressively after the bad guys, to make sure that we're also living up to our values and our ideals and our principles. And that's what closing Guantanamo is about -- not because I think that the people who are running Guantanamo are doing a bad job, but rather because it's become a symbol. And I think we can do just as good of a job housing them somewhere else.

Now, to the issue you had about the review. You're right, I won't comment right now on a review that I have not received yet. I can tell you that over the last two years, despite not having closed Guantanamo, we've been trying to put our battle against terrorists within a legal structure that is consistent with our history of rule of law. And we've succeeded on a number of fronts.

One of the toughest problems is what to do with people that we know are dangerous, that we know are -- have

engaged in terrorist activity, are proclaimed enemies of the United States, but because of the manner in which they were originally captured, the circumstances right after 9/11 in which they are interrogated, it becomes difficult to try them whether in an Article III court or in a military commission.

Releasing them at this stage could potentially create greater danger for the American people. And so how do we manage that? And that's what this team has been looking at. Are there ways for us to make sure these folks have lawyers, to make sure that these folks have the opportunity to challenge their detention -- but at the same time, making sure that we are not simply releasing folks who could do us grievous harm and have shown a capacity and willingness to engage in brutal attacks in the past.

And so when I get that report, I'm sure that I'll have more comments on it. The bottom line is, is that striking this balance between our security and making sure that we are consistent with our values and our Constitution is not an easy task, but ultimately that's what's required for practical reasons.

Because the more people are reminded of what makes America special -- the fact that we stand for something beyond just our economic power or our military might, but we have these core ideals that we observe even when it's hard -- that's one of our most powerful weapons. And I want to make sure that we don't lose that weapon in what is a serious struggle.

So with that, everybody, I want to wish you all a merry Christmas. Happy holidays. Happy New Year. See you in 2011.

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4:50 P.M. EST