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Press Briefing by Press Secretary Gibbs, Ron Bloom and Ed Montgomery, 7/29/2010**James S. Brady Press Briefing Room**

2:30 P.M. EDT

MR. GIBBS: Good afternoon. Before we do our regularly scheduled programming, we have with us today to give a little report and to take some questions from you, given the President's upcoming trips to both Detroit and Chicago to visit Chrysler, GM and Ford plants, today we have with us Ron Bloom, Senior Advisor to the Treasury Secretary for Automobiles; and celebrating his second to last day -- tomorrow is his last day -- and we will sorely miss him -- Ed Montgomery, who is head of the White House Council on Automotive Communities and Workers -- to talk a little bit about what the President will do tomorrow.

I'll just briefly outline -- as I said, the President will make two stops tomorrow in Detroit and Hamtramck, and then the following week in Chicago, to talk about the tough decisions that the President made well over a year ago as it related to our auto industry -- a decision that has since resulted in a restructured and turned around auto industry, one that is adding rather than shedding jobs, and a decision in and of itself that likely saved a million jobs and communities -- certainly saved communities from economic devastation.

So, with that, let me turn it first over to Ron.

MR. BLOOM: Thank you. So tomorrow's visit, the President will begin at the Jefferson North plant of Chrysler, where they're making the Jeep Grand Cherokee. The company employs roughly 2,800 people. It just added a second shift that increased its employment by about 1,100 jobs, to bring it to that 2,800. The Jeep Grand Cherokee is being very well received in the marketplace.

The President will then travel to Hamtramck. Around 1,100 people work there and that's the plant where General Motors will be making the Volt.

So that's what tomorrow is. And then early next week he'll be traveling to Ford's Chicago plant, where they have agreed -- where they will be adding another shift, another 1,200 workers, importantly because of a Department of Energy loan.

It's also worth remarking that today we're releasing a little report that does a bit of an update on the situation in the automobile industry. I think it's now available. Just a couple of highlights from the report: In the year before these bankruptcies, these companies lost almost 340,000 jobs. In the year since then, 55,000 jobs have been added to these companies. As Robert pointed out, if we hadn't stepped in when we did, most observers believe at least a million jobs would have been lost.

While there is still a long way to go, the report points out that the companies are also showing positive signs of financial performance. In the first quarter, all of them made operating profits. That's the first time that's happened since 2004.

Ford just reported its second quarter, \$2.6 billion in profits. General Motors announced that in their summer -- normal summer shutdown period, nine of their 11 factories needed to continue working to meet customer demand. So we think there's a lot of signs that, while slow, the industry is truly coming back.

We also would note in that regard that at the time of the -- when things began, the automobile supply industry, which, in fact, employs a lot more people than the Big Three themselves, was losing jobs at a great rate. They were 54 supplier bankruptcies over the course of last year. The supply base has now stabilized. There are less than 10 percent of the companies who are in default of their covenants, so we think the supply base is also looking much more stable.

And then, finally, we point out the investments that the President made in the auto industry of the future -- in battery

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plants, in other high-mileage vehicles. So we think we're positioning the United States automobile industry to lead the world in the future.

MR. MONTGOMERY: A little over a year ago, the President recognized that not only were the companies in trouble, but the communities who relied on this industry were going through distress, as well. And so he created the Council on Auto Communities and Workers. And we spent the past year both going out and listening to these communities and then trying to make sure that the resources of the federal government were deployed to help them.

They identified a couple of areas which were priority needs for them -- first, help the workforce. And so the Department of Labor and the government has made some \$50 million in national emergency grants available to help workers in Michigan, Ohio, California, Delaware and Missouri, in the auto sector. On top of that another \$75 million was made available particularly for auto community workers to help them transition to new jobs in the green economy as well as in medical and other high growth sectors.

The second area that they focused on was helping suppliers. Obviously, Ron talked about some of the assistance we did to keep the supply base in place, but also to help suppliers think about how to diversify, how to get into new lines of business away from automobiles.

We've worked with the Manufacturing Distinction Program and programs like the Ohio Economic Development to reach some 170 different suppliers in the auto sector, specifically in that state alone, to help them with diversification efforts.

On top of that, investments like the Department of Energy's 48c Advance Manufacturing Program allowed over \$7 billion in capital to be made available to get people out of and into the new sectors of wind and solar and other advance manufacturing to allow these communities to have new opportunities going forward -- some 180 projects have been funded through that.

And third, these people talked about the fact that these plants, these facilities that were in these communities, which had been a source of strength for them, were now going to be abandoned, many of them going to be abandoned. And so, working with the Treasury, the Department of Justice, the Environmental Protection Agency, the administration has put forward a plan that will make some \$800 million in investments available to clean up these sites, as well as to engage in economic development kinds of activities.

An example of a kind of a site that will benefit from this fund is Buick City. That was a huge facility in Flint, Michigan. It closed in 1999. Nothing done on that site for almost a decade. With the kinds of work that we've been able to do -- we've got the Environmental Protection Agency already worked out a plan to clean up the site, to put in place -- which they can put in place as soon as the money becomes available at the end of the year, and there's hope that there's actually going to be a new investor coming in, take over that site and create some jobs in that area.

And so those kinds of investments were the kinds of things we've been doing over the course of the year, making sure that workers, suppliers, and the community benefit.

MR. GIBBS: Any questions?

Q Yes, Mr. Bloom, could you tell me, does the government see any hurdles to GM being able to go public? And also, do you expect the government, in the IPO, that it will reduce its stake in GM to under 50 percent?

MR. BLOOM: We stated previously that we are hopeful that General Motors will be able to go public this year. We continue to be hopeful in that regard. A public offering of this nature, or any public offering is very tightly regulated by the Securities and Exchange Commission, and so until the company files what's called a registration statement, we're really not in a position to give any further information about what the offering might or might not look like.

If at some point in the future the company does file a registration statement, which as I said before, we're hopeful it will, then we'll be in a position to give some more information.

Q Mr. Bloom and Mr. Montgomery, The Washington Post had a story this Sunday that talked about the unequal wage scale or disparate wage scale now as a result of the federal intervention -- some assembly line workers make \$14 an hour, some make \$28. Is that the new normal? And is that something that, as this restructured and turned-around auto industry looks at the future a lower wage scale, one that does bring some concerns to those who are on the line now and are anticipating or trying to plan for their future -- is that the new normal in the American auto industry?

MR. BLOOM: We're not -- I can't say what the new normal is. The company and their union in the context of this very difficult situation worked out a new labor agreement, which reduced the company's costs. We did not intervene and tell the company and the union we would rather they do it one way or the other. There were very difficult sacrifices made by all stakeholders which allowed these companies to restructure. And we're confident that over time the companies and their unions will work out a fair and equitable situation.

Q Mr. Montgomery, any comment on that?

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MR. MONTGOMERY: I would just say it's not new. It didn't start with the notion of a two-tier -- different salaries for the newer workers versus older workers didn't originate under the restructuring going on here. But as Ron has just said, obviously this is something that the UAW is negotiating. They thought that this was necessary for the survival of the company.

MR. GIBBS: Major, let me just add this. When the President made these tough decisions he did so asking for that conditions be placed on this money and that tough sacrifices, as these gentlemen have said, be made by all. I think if you look back at that article, I think everyone was struck that despite what their wage per hour was, those workers were happy to have jobs, happy to be -- the communities are happy that the plants that have been there are there and are thriving. And as we've said, we have an auto industry that, instead of shedding hundreds of thousands of jobs, is adding jobs.

I think -- and I'm sure Ed can talk to this -- my guess is that when the President walks into any of these plants over the next -- in the next three stops, my guess is that the first 10 or 15 people that he sees and meets and talks to aren't going to be the first of their generation working in that plant. They'll be fathers that worked there before they did, grandfathers that worked before they did, as well. And these facilities build strong communities and build strong economies, and as a result of the tough investments that we made and the tough sacrifices made by all, we have an industry that looks fundamentally different in its progress than we did just a year and a half ago.

Q Real quick, Robert, (inaudible) that Ford, though not receiving bailout dollars, benefited nevertheless because suppliers remain alive. Would you address that and talk to us a little bit about your understanding of how though Ford did not seek, nor did it receive, it still was either an indirect or direct beneficiary of this intervention?

MR. BLOOM: Yes, I think the entire industry was an indirect beneficiary. The transplant companies were an indirect beneficiary, too. This is an incredibly interdependent industry. And if GM had failed, a very large number of suppliers would have immediately failed, who would have been so significant within -- their GM business would have meant that they couldn't succeed. And that would have had a cascading effect through the balance of the OE industry, Ford included and potentially others, as well.

So I think there's no question that the President's intervention helped the entire industry. I think that's a good thing. The American automobile industry directly employs today 1.7 million people. And so that is one of the reasons why it was so important to look at General Motors and say, this company really matters, and if its stakeholders are prepared to do the tough stuff, then it is a good investment to try to help them.

So, yes, I think there were many other companies that benefited and I think that's a very good thing.

MR. GIBBS: And then, Major, as the CEO of Ford said back in December of 2008, they weren't looking for direct money, but went to support the efforts of Chrysler and GM because, as he said then and as Ron said, without that supplier base, Ford would not have been making cars within -- not within weeks, but within days, they would have been forced to make some changes, which is certainly significant.

Q What do you say, Robert, or any of you, to the folks who, at the beginning, a year and a half ago, were deriding this effort, calling it socialism, calling it government takeover? You had Rush Limbaugh today -- there yesterday talking "Obama Motors" again. Is essentially the message here a sort of, we told you so?

MR. GIBBS: No, because -- I'll say this. Look, Rush Limbaugh and others wanted to walk away. Rush Limbaugh and others saw a million people that worked at these factories, that worked at these parts suppliers, that supported communities, and thought we should all just walk away. The President didn't think that walking away from a million jobs in these communities made a lot of economic sense.

Let's go back now and look at where we are. The President and the team expect, after these tough decisions, and after the conditions that were put on the restructuring that enabled them to change the trajectory of where we're heading -- as Ron said, we've got auto companies that for the first time since 2004 all showed an operating profit in the first quarter of this year.

It's adding jobs. And the money that this administration invested, about \$60 billion, we believe we're on the path to recouping all of that. That's a significant story. And it's not, as I told a few of you guys yesterday, it's not a zero-sum game. A million people leaving their job would have had a multiplying economic effect. That's a million more people that would have been on unemployment benefits.

And certainly as Ed knows, when you walk into these communities, it's not as if these communities have a lot of other businesses -- because they're built around these plants. So you're walking away from a million workers, you're walking away from the communities where these plants have been built; and quite frankly, you're walking away from a future that -- when the President walks into that factory that's building the Chevy Volt, two or three years ago, if you go back, we didn't even -- there was a lot of talk about whether or not you could even develop the technology necessary to put a battery, an electric battery in a car and have it go 40 or 100 miles without kicking into a gas engine or charging it every 10 miles. That was unsure.

There was also a lot of doubt about whether any type of car like this would ever be built in this country or driven in

this country. And if they were driven in this country, they would likely have been shipped over here and imported. Now these cars will say made in America, by American workers and bought by Americans. And that is -- that's significant.

I'll let those that sat in the cheap seats a year and a half ago and wanted to walk away from a million explain to every one of those workers why they made that decision. And I think, better yet, ask them if they had to do that decision to do all over again -- knowing that that \$60 billion were on track to get paid back, knowing that there's a million people that are still employed, knowing that we're adding 55,000 jobs, that plants are working through what's normally a planned summer shutdown, and that we're creating the jobs of the future -- whether they thought the decision they made 16 or 18 months ago, different than that of the President of the United States -- whether they still stand by it.

And then you should ask Mr. Limbaugh -- I don't know what kind of car he drives, but I bet it's not an F-150.

Q Can I just follow up real quick?

MR. GIBBS: Yes.

Q Even the President has said all along he doesn't -- he didn't want to be in the position of running a car company and that this kind of a government -- use whatever word -- takeover, intervention, whatever -- isn't ideal. Are there things that you got -- even in the success that you're touting now, are there regrets or things that you are trying to be careful about in terms of not having this become a sort of precedent-setting thing for other industries?

MR. BLOOM: The President has, in fact, been extremely clear that he did not run for office to be taking over car companies. And I think, in fact, if you look at our behavior since the bankruptcy ended, he's been exceptionally true to that word. The administration -- nobody in the administration is directing General Motors on what to do on a day-to-day basis. We are not running these companies.

And many people did assume that if we became the owner of the company, the next thing we would do is to direct the affairs of the company. And that's exactly what we haven't done. We were very involved in the bankruptcy. We did insist on major change in management and the board of directors, and then we have very consciously stepped back, we have not intervened in these companies.

And while we're very proud of their success and changing the culture the way they have, et cetera, and while we think that the President's support was essential to giving them that second chance, the fact is they are now grabbing that second chance with their hands and they're doing it. So we were actually concerned about those things, and I think we've acted in a way consistent with those concerns.

MR. GIBBS: There was a process and a structure put in place to ensure that, despite the level of ownership, we were not involved in voting decisions.

Q But if this thing has worked so well, I mean, in theory, somebody might say, why not do it for other things. I mean --

MR. GIBBS: Well, again, that's not what the President was here to do. The President made a decision based on what we all believed were economic ramifications that were too big to walk away from.

Q Mr. Bloom, I'd like to ask you how confident you are the U.S. government is going to be repaid in full, given the improved performance in the auto industry you've described. And also, if I can try you again on the GM IPO. We've reported that the filing is going to be in the week of August 16th. Could you at least talk about the timing of the filing?

MR. BLOOM: You can try me as many times as you want on the IPO, you're not going to get a different answer. And I think Robert spoke about the investment situation. The Obama administration has invested \$60 billion into the automobile industry. The latest valuation from the Office of Financial Stability has the value of that investment in the aggregate at \$60 billion.

So that's where we are. And we haven't realized on that yet. There's still has to be a process of selling the shares. Right now the trajectory is positive.

MR. GIBBS: I'd just say, in terms of the -- as Ron said, once you get to a point in an IPA, there are some good rules that the SEC has employed that we're all trying to make sure don't get us called by that agency.

Q Robert, you can't keep jobs if you can't sell cars. I wonder how confident you are in the strength of these auto companies and if the administration thinks it's appropriate to do another round of cash for clunkers or something similar to sort of stimulate this sector.

MR. GIBBS: Well, I don't have the exact figures with me. Look, when we talked about the decisions that were made around a structured bankruptcy, we were dealing in an economy I think where the yearly car sales were certainly

less than 10 million. And this is off of a high of probably around 17 million. We're in a better environment now. I think right now it's about 11 million.

MR. BLOOM: About a 11 and a half [million].

MR. GIBBS: And so because of consumer demand -- obviously, as these guys mentioned, working through that planned retooling and some are shut down in order to meet an increased amount of customer demand I think demonstrates, one, that the economy as a whole is getting stronger, and that pushed demand for more automobiles; and secondly, these guys are making a profit.

So at this point, we don't see or have plans for redoing the cash for clunkers program. But I would say the investment that was made on that, not only did that spur an enormous demand, but it took cars off the road that were, by definition, older and more polluting, and put newer, cleaner models on in their place.

I will say it is hard to talk about the success of the decisions that were made in the auto industry without mentioning again the efforts of many, including all of the auto industry and certainly efforts like -- people like Carol Browner on the President's staff -- to provide certainty in emissions and fuel economy. The rules that were created working with the industry added certainty for cars and now we've added work trucks to that rule as well. That, again, provided some certainty in emissions that cars -- the emission targets that cars have, as well as took the mandate that Congress passed on fuel economy and moved it up several years.

It had been somewhere between 20 and 30 years since we had a substantial improvement in fuel economy. The Senate finally broke that impasse in I think either 2007 or 2008. Given the certainty of this rule, we were able to push the 2020 target to 2016, in a way that, again, helps our goals in reducing our dependence on foreign oil, and gives auto manufacturers the certainty that they have always wanted on the manufacturing side.

Q I wanted to ask you about Charlie Rangel and whether the White House --

MR. GIBBS: Let's do autos first, and then I'll do the regular -- yes, ma'am.

Q How important is this IPO in recouping the taxpayers (inaudible) -- can you give us some sense of that and some sense of the timeline on Chrysler and GM paying back --

MR. BLOOM: The IPO is important because almost all of our investment in General Motors today is common stock. We have \$2.1 billion of preferred stock, but the vast majority of the investment is in common stock. So the absolute expected way one receives value on that investment is for the company to offer its shares to the public and then for there to be a public float, and then for us to be able to sell in both -- as part of the IPO and subsequently into that public float.] So it is very important. And as I said before, we are hopeful that it can be accomplished this year. After that, it will remain to be determined on what schedule we can sell the rest of the shares.

In the Chrysler case, most of our investment is in the form of debt. There's a small investment in common stock. We are hopeful that at some point Chrysler will also be able to offer shares to the public. We don't have any visibility to that at the moment. But the debt has a maturity date of half at seven and half at eight years from when we made the loan, so in the current trajectory, we would expect Chrysler to pay back their loan when its due.

Q Robert, you have said several times here that the \$60 billion will be paid back, the Obama administration's portion of it. Why is there a distinction being made between the full amount that's been paid out of the TARP and what the Obama administration is going to be paid back, that portion that the Obama administration --

MR. GIBBS: Well, Mike, we're not -- I was not, as you probably know, not here when the Bush administration made that --

Q When it comes to the sum total of everything that's been paid out of the TARP, will there be a net benefit? Or will --

MR. GIBBS: You're right the total liability is \$85 [billion]. Again, our goal, as you've heard the President enunciate, is that the taxpayers won't be on the hook for one dime of money. That's why you heard the President talk about a financial crisis responsibility fee in order to ensure that taxpayers are fully paid up.

I highlight the difference largely also because the criticism at the end of 2008 was that you are -- you're giving monetary help but not asking that the companies do anything differently. And, look, we had -- you watched companies go through, in some cases, substantial cash reserves until they were -- they got to this point. The President recognized part of the reason that we were at that point were some bad management decisions. And the President required and conditioned that investment on everybody making a sacrifice. So that's the reason why I said --

Q Okay. And I guess this goes to Mr. Bloom. The Volt is said to be going to be priced around \$41,000. That seems kind of high. It's a heavily subsidized, through various tax credits for the batteries and what have you, price to begin with. Is it marketable at \$41,000? Is that a concern to the administration?

MR. BLOOM: Well, a couple things. I think it is worth noting that the company will also be offering a lease at \$350 a month. It's also worth noting that this is a new technology and most times when new technologies come out, they are more expensive. And because of the President's investments in the battery industry, we absolutely expect battery prices to come down over time. And finally, we do not tell General Motors what to charge for its cars. We don't tell them what to charge for the Volt. We're not going to tell them what to charge for the Cruise.

General Motors has an extremely competent management, supervised closely by a board of directors. We are confident that they are carefully thinking through what the price of the Volt ought to be, as much as they are with the price of the Cruise or the Cadillac CTS would be. And exactly that sort of decision -- back to the earlier question -- is exactly what we have resisted the temptation to do.

Q Right, but the government owns 61 percent of the company. And so is there a concern that it will succeed or not succeed?

MR. BLOOM: GM makes decisions every day about cars that they're going to sell -- at least in the next couple years -- a lot more of than the Volt. And we -- our confidence rests in the management and the board of directors, that they will carefully weigh all those facts. And we believe General Motors is broadly on a good track.

MR. GIBBS: Mike, I'll get you the graph that we -- before the President went to Western Michigan to do the batteries, we had a graph of -- and I'll get it for you -- that showed as you have more and more of these made, as you streamline that process, the investment that we've made -- that will greatly increase the number of those facilities in this country will, by definition, drive down the price for each.

Q Question for Mr. Montgomery. You mentioned a \$50 million program, a \$75 million program. I wonder if you could talk specifically about Detroit and what your office has been able to provide that community, and then if you could put it in some perspective in terms of the city, which are enormous -- I mean are these programs that are really having an impact on how well a community like Detroit is doing? Or is this just really working around the edges?

MR. MONTGOMERY: Well, obviously, clearly Detroit was a distressed community and it has been a distressed community for a considerable period of time. Its unemployment rate is close to 20 percent and remains there.

The programs that we've talked about -- the national emergency grants, there was a regional grant that went to Southeast Michigan, I think around \$9 million, which was dedicated to programs in the Detroit region -- they were part of the \$75 million. Detroit won several of those grants. The Detroit region won several of those grants to help those workers train.

As we've said all along, we've got a long way to go. We can't be happy with the unemployment rate in the state of Michigan at over 13 percent, or in Detroit in the 20 percent. But these are providing some needed resources to help autoworkers and others in the community begin the process of finding jobs.

Q So what more needs to be done? What more can the federal government do going forward? Do you have recommendations for the President?

MR. MONTGOMERY: Well, obviously, we want to continue what we have been doing. How do we create new jobs? How do we support small businesses? How do we create -- who are the source of growth, and how do we encourage them to hire additional workers? I think those are absolutely critical in cities like Detroit and around the Midwest.

MR. GIBBS: And I'd say I don't think anybody believes that the auto industry alone is going to, as Ed said, bring that unemployment rate, in and of itself, or only, bring that thing down. But it is also hard to imagine both the city and the state making the kind of progress that we all want it to make without an industry that is making the progress that we've seen.

Q I want to go back, Mr. Bloom, to Mike's question about the sticker shock on the Volt. The problem is that the Nissan Leaf is out at the same time for \$33,000. So isn't it asking a lot of an American to pay an extra \$8,000 just to drive the American electric car versus the Japanese electric car?

MR. BLOOM: It works out that the lease is the same price, so you can lease the car for --

Q How?

MR. BLOOM: If you read General Motors' press release, they're prepared to lease the car at the same price. But --

Q Right, leasing, but not -- not to purchase.

MR. BLOOM: But I'm not going to get into a debate about whether General Motors on this particular matter has the correct business strategy. There are dozens and dozens of business decisions they make every day. They believe that people will buy this car in a sufficient number that they're manufacturing it.

I think they believe that some number will lease it. And they believe some other number will buy it and use the tax credit that's available. Over time, we are confident that the prices of these sorts of cars will come down. Different companies have different strategies. In the next two years, there will be 20 different either electric or hybrid or gas -- or plug-in hybrid cars hitting the road. These are the first two.

This is going to be a very big open competition. I think that's terrific. And I think what's going to result in it is more and more Americans will eventually be able to buy electric-powered cars.

Q Just to follow, as owners of this company, or at least 61 percent, wouldn't it make sense to somehow influence the cost of the Volt to make it more competitive?

MR. BLOOM: The problem with that --

Q Subsidize it --

MR. BLOOM: The problem with that slippery slope is it never ends -- because I could equally make the argument that General Motors ought to also charge 2.6 percent less for the Cadillac or 3.1 percent less for the Cruise. Every management decision can be second-guessed. And we made a very firm decision up front that either we were going to run the company day to day, or we would find the finest management and the most independent, hard-nosed board of directors we could and asked them to take on that responsibility. We made the latter decision. And if we violate it on one thing that seems important to us, then we will violate it on everything. And then I think we're -- then it is Government Motors. And the history of the last year is it absolutely has not been, and we intend to keep to that.

Q Thanks, Robert. This is for Mr. Bloom. You and others have mentioned the figure a million jobs saved several times throughout the briefing. It's up on the monitor behind you in a graphic, and I see in the graph that you rely for the figure on the Center for Automotive Research, which is a think tank in Michigan, which is funded by the auto industry. Do you think this is an objective source to come up with this particular number?

MR. BLOOM: The number is actually from the Bush administration. The Center for Automotive Resource --

Q Is that a good source? (Laughter.)

MR. BLOOM: I would have thought you wouldn't accuse them of being too aggressive. The Center for Automotive Research, who I'd be delighted to have you talk to, has a number that's much, much higher. We're actually using the low end of a number of numbers that have been put out.

Q Thanks. On the same lines as earlier Volt questions, but maybe -- how many years -- (laughter.)

MR. GIBBS: Wow.

Q How many years, realistically, do you think it will be before the majority of American-made cars that are available for consumers are either electric or hybrid or some combination, and before they are affordable, by whatever standard -- \$25,000 or whatever that is at the time?

MR. BLOOM: I think that is -- that's a question that really doesn't have an answer today. I think what the President did is he made a series of investments in the key technologies that drive this industry forward, which is the batteries. And as Ed mentioned, the battery prices, I think most experts now believe are going to come down at a very rapid rate. Exactly when that hits the crossover point so that most Americans want to buy an electric car, I don't think it's knowable. I think the issue for the government is can we do things that can set the conditions for that.

And I think the President by his leadership has done that. But honestly, it's going to be private actors in the marketplace competing for market share that are going to determine that answer. So I don't think we can sit here today and make a prognostication on that. Obviously, we're committed to trying to help it happen, but it's going to happen, importantly, because private sector individuals choose to put their money at risk and make these cars.

MR. GIBBS: And, look, Margaret, the -- I bought a 2005 -- I bought a new Ford Escape hybrid, which, in 2005, was basically as a gas-electric hybrid that, if you go more than about 25 or 30 miles an hour, kicks into the sole use of the gas engine.

In 2005, that was basically the cutting edge of domestically offered technology. Look, in five years, you're at a point where, with the Volt, with the Focus coming online, and other models, that the technology -- the plug-in technology is rapidly advancing. And as Ron says, the more we make, the less each individual unit will cost, and therefore, the less each automobile will cost.

Q I mean, if you look at everything combined that's available -- the Ford Fusion hybrid and Honda and all of this, it's still just a fraction of what's sold. Do you think -- I know you don't want to pinpoint an exact date, but is it fair to say it's at least five years off? I mean, you're asking Americans to buy in right now to something that will be many years before most people will --

MR. GIBBS: Well, I don't think anybody would disagree with that, except if you go back just a couple of summers -- gas hit above \$4 a gallon. My guess is you saw a lot more -- people can recall seeing a lot more Hummer H2s on the road, say, three years ago than sort of post-late summer 2008. In fact, by and large, it's a brand that has been sold. Look, as the technology changes, I think more and more people will take advantage of it.

MR. BLOOM: One other thing. I mean, look, for a lot of years, and Robert pointed this out, these companies were criticized for not having long-term strategic thinking. We now have these companies thinking long term. They understand this is not a next year, year after issue. This is a long-term bet that they're making on the direction of the industry. That bet is going to take a while to pay off, but I think we should be applauding their willingness to try to look ahead, because for a lot of years people said the companies wouldn't look ahead, they always tried to fight the future. Now we have companies trying to shape the future.

So I'd rather be -- I'd rather criticize them for thinking less far ahead than criticizing them for thinking too far ahead. I think that's a welcome change.

MR. GIBBS: I mean, the gas prices resulted in the industry itself changing its viewpoint on increasing fuel economy standards, again, something that took decades to happen but was moved along by gas prices.

Q Mr. Bloom, do you think it's a good idea for the federal government to buy or lease a substantial number of these Volts at this \$41,000 a year price point?

MR. BLOOM: We have no particular plan to buy or lease the Volt or the Leaf. There are ongoing discussions about whether there might be an opportunity to have some amount of it, but I don't think that's going to be a principal way this car is going to get introduced.

Q To follow up on what Mr. Bloom was saying, and then you joined in -- what assurance do you have, does the country have, that they will continue to be so forward-thinking, particularly since gas prices have come down in most parts of the country a long way from a couple summers ago?

MR. BLOOM: There are no guarantees. As Robert said, the President made a decision to give this company a second chance. We insisted on very substantial change in their cost structure, in their operating footprint and in their management and board of directors. But we are not going to retain operational control to assure ourselves that everything they do meets our satisfaction because we don't believe that's the proper role for the government.

So is it possible that someday in the future General Motors will lose its way again? I think the fact that that's possible is a good thing, because that's what American companies are supposed to do -- they're supposed to compete in the private marketplace. This was an intervention in an extraordinary moment in our nation's history. It was done to prevent, as Robert said, the loss of a million jobs. We are determined to exit that investment as soon as is practicable and this company's future will be in the hands of its management, of its board of directors, of its employees, and of all the stakeholders who sacrificed. We want to get as much of the taxpayers' money back as we can, but that's not going to cause us to intervene in running the company.

Q Realistically, when can the administration completely exit its investment in the auto companies -- 2012, beyond?

MR. BLOOM: I think that's not something that's knowable today. I think we're -- again, the guidance we put out, which we're sticking to, is as soon as practicable. And that means exactly what it says. We don't like having this investment, but we're not going to sell it at a fire sale. So we're on an orderly course. We believe General Motors can achieve an IPO this year. We remain hopeful of that. We are hopeful Chrysler will be able to achieve one at some point thereafter. We're going to take this slowly and carefully, and we're not going to be irresponsible.

We recognize people don't want us to own the company. We don't want to own the company. But to do it at a fire sale I think is irresponsible to the taxpayers. So it's a careful walk and we're going to walk it carefully.

MR. GIBBS: Look, I think if you travel back to the decision that the President made in the Roosevelt Room, there was no guarantee at the time in which the President made that decision that one or both of these companies would survive. You'll recall very distinct conversations about whether or not it was slightly better than 50-50. What we've seen since then -- and I think this is a fair characterization -- that where these companies are now exceeds where we believe they'd likely be at this point, and that their situation has only gotten better, quarter by quarter, than, again, where we thought it would be.

So they made some tough decisions. The President made some tough decisions. And when we look back at both where we are and where we were, we see real, sustained progress.

Q Given that success story that you're describing here today, why hasn't the administration gotten more credit for stepping in and writing these companies --

MR. GIBBS: Obviously, Elizabeth, I don't think the story that the President is going to embark on telling is well known. I doubt many people in this room -- and you guys are largely the reporters of said stories -- would -- or have pointed out that for the first time since 2004, each of the three companies, in the first quarter of this year,

represented -- had an operating profit, or that since GM emerged from bankruptcy, 55,000 jobs have been added.

Q Could the administration have done a better job in -- as this turnaround slowly came about -- step by step communicating that better to the public?

MR. GIBBS: I think we have. And I'll say this is -- the report that we're putting out on the auto industry isn't the first one, it's the second one that we've done. I look forward to reading in your newspaper tomorrow -- attention, assignment editors -- (laughter) -- the arc of the decision that the President made and where this industry is.

The President will be here and he will tell that story, and will tell it to the workers who work on those lines today because of the sacrifices that they made and the tough decisions that were made here. We're going to do an awful lot over the next week to 10 days, and I think, in all honesty, if people get a sense of what went into these decisions, what resulted in the structured bankruptcies, and then what has resulted in the success of the companies up to this point, I do think given all that information, I do think people will look at the decision that was made at the end of March of 2009 differently.

Yes, sir. And I want to let these guys go.

Q This is the first I've heard of a Department of Energy loan to Ford Motor. Could you give us some details for the loan? Why the Department of Energy, as opposed to a bank? And how much money and --

MR. BLOOM: This is under a program called the ATVM program, also known as Section 136. This loan was made, I believe, in excess of a year ago. It was \$5.9 billion. It's been fairly well discussed and disclosed that this was a program that the Congress had put in place to provide funds for these companies to invest in new technologies to get more fuel efficient. And that was the purpose of the program and the program is ongoing. Other companies have applied for it. There was a loan to Tesla. There was a loan to Fisker. There was a loan to Nissan, which was part of the reason they're building the plant to make the Leaf here in the U.S. And there was a \$5.9 billion loan to Ford.

MR. GIBBS: And it will allow the -- you saw probably earlier this week Ford unveiled the new model Explorer, which is constructed on a -- not on a truck frame but on a car frame, which not only allows, as Ron said, fuel efficiency here in this country, but attractiveness in selling that car overseas.

Thank you both.

Yes, ma'am.

Q Can I go back --

MR. GIBBS: No, I was listening. But I realize that you were not talking about a new model car and was --

Q To the Rangel --

Q Is the White House disappointed that there wasn't a deal reached before the session started today? Do you think that's damaging to the party and to candidates?

MR. GIBBS: Look, some of this has happened while we've been up here and I want to get some more information on where the situation is. There is a bipartisan panel that's looking into this and into these serious charges. We think that is important to do. And I don't want to prejudice that outcome. I will get some information at the end of this and see if I need to update that.

Q Well, the session ended before we came in here, so -- and a deal was agreed. So that's not still an open question.

MR. GIBBS: Yes, again, I will wait and get a full picture before we have anything additional to say.

Q All right. And then let me ask you about the judge's ruling on the Arizona immigration law -- Republicans already starting to use it in fundraising. It looks pretty clear it will be an issue of some magnitude in the elections this fall. Is that something you all are worried about? And is that something that the political folks here have kind of a plan to deal with?

MR. GIBBS: Well, look, I would echo what the Justice Department said yesterday about the judge's decision. I think the judge ruled that what -- and reaffirmed that the responsibility for immigration reform and for immigration law is -- rests with the federal government. We all understand the frustration of Arizona and border states at this problem, but believe that instead of a patchwork of 50 state laws, that Congress has in the past and should act now to enact comprehensive immigration reform.

Look, Jennifer, in terms of the politics, the President has made decisions since coming into office -- autos being one of them -- that he didn't make based on polling. I think if that were the case, we'd be looking for a new pollster.

The President and the Justice Department believed that what we filed was the right thing to do and that the right thing to do now based on that ruling is what will be harder, and that is comprehensive immigration reform. It's been done before and it can be done again if those that are involved in this are willing to be part of the solution. And I think that's the next step.

Q Well, I understand that's your policy position and politics -- good policy is good politics and all that sort of thing at the end of the day. But you're not going to get comprehensive immigration reform before the November elections happen. So you've got this sort of political status quo that you're going to have to deal with in some form or fashion over the next several weeks before that voting happens. So how do you -- is there messaging? Does the President get involved in terms of talking about this? How do you deal with the political --

MR. GIBBS: Well, look, I think we will talk about the need for everyone involved to step up and solve that problem. I hope that everybody that's running for office at a federal level this fall will talk about after the judge has ruled that this is the purview of the federal government -- I hope each of these candidates will discuss what they think -- what the federal government must do to deal with it.

And it is -- there are a lot of different components, but only enacting those components comprehensively, from border security on through, are we going to be able to solve this problem. And I think that's what the President will spend time talking about.

Yes, sir.

Q Thanks, Robert. Since you had the monthly AfPak meeting, I want to ask about that.

MR. GIBBS: Sure.

Q Does the President think that the WikiLeaks leak of documents has put Afghan informers at risk?

MR. GIBBS: I would say from General Jones' statement last Sunday, from the President's statement -- and I know while we were out here, the Pentagon has -- Secretary Gates and Admiral Mullen are briefing on both that situation and on the meeting today itself -- and I said, we believe that this has the potential to put people -- our troops, those that cooperate with our efforts -- into harm's way.

Q Has it identified any points in the documents where people have been named?

MR. GIBBS: I don't want to get into -- I don't want to get into that level of that detail. I will say this, and I know this is -- I just want to be clear. We did not see any of these documents prior to their being put online. We worked with The New York Times on some questions that they had. They were able to see some of the documents beforehand. And, as I said earlier, I think they handled this story in a responsible way. But I reiterate that we have not -- did not -- and did not see those documents, nor were we contacted about seeing those documents beforehand.

Let me give you just a little bit of a broad read-through on what was discussed this afternoon -- or this morning. This was the seventh regular meeting of the group on Afghanistan and Pakistan. The meeting began with an update on the situation in Afghanistan where they discussed the success of the recent Kabul Conference, including the absence of significant security disruptions, and the steps that were announced to move forward on strengthening governance and pursuing reintegration.

General Petraeus gave a security update reviewing the progress that has been made across the country. On Pakistan, the group reviewed the recent strategic dialogue that Secretary Clinton held in Pakistan, while also discussing our continued efforts to support the Pakistani military's actions against violent extremists within its -- within its borders.

Q But just to come back to the WikiLeaks, was the sense in the meeting that there's going to be an operational impact?

MR. GIBBS: Well, I would say that that was the --

Q Due to the leaks, I mean.

MR. GIBBS: I will say this. WikiLeaks was not something that took up any real measurable amount of time in today's meeting. I think each of the principals, including the President, has commented on the operational security risks that 90,000-plus secret documents, classified documents being put on the Internet poses to our troops, poses to those that are cooperating in efforts to make Afghanistan and Pakistan more secure. And we'll go from there.

Yes, sir.

Q Thanks, Robert. I just wanted to follow up on immigration. You seemed to be saying that you acknowledge it's highly unlikely there will be a congressional deal before the elections. But I wanted to talk about after the elections. Republican Darrell Issa yesterday -- I want to acknowledge in the premise of my question that he is not the most

friendly Republican to the White House -- but he said on CNN and other places yesterday that he thinks there is an appetite on Capitol Hill, and he included himself and said that he and other Republicans -- if the President guaranteed that comprehensive reform would not have amnesty, he thinks there would be some Republicans who would come on board with a guest worker program. I just wonder how you react to that, and whether you think that's sincere, that there are Republicans -- because on other issues, as you've noted, they haven't worked with you. Do you think that there's a sincere chance here?

MR. GIBBS: I do, if -- look, and I said this to Jennifer, this is -- it's not unthinkable that progress can be made on this issue because it has been made on this issue in the past. Now, was that a time in which Republicans worked a little bit more closely with Democrats? The answer to that, obviously, is yes.

I have not seen what Congressman Issa supported in the past. I would suggest, Ed, we cannot deal with immigration reform comprehensively without dealing with those that are here. I don't know what his plans are for that. I know the President has outlined comprehensively -- and, again, Republicans in the past have worked on that. It is the President's sincere hope that out of this decision and out of the understandable frustration of those that are dealing with this problem locally each and every day that we can make real progress on dealing with this tough issue.

And, look, we have all watched this issue play out over the past five years. This was not just -- I remember going through Iowa and having caucus-goers asking the President tough questions about immigration. But I think if we all work together and work together honestly, I think progress can indeed be made.

Q Two other quick things. Shirley Sherrod -- the President mentioned her today. And since her firing and then the apology, some Republicans including Congressman Steve King of Iowa have raised these allegations that Shirley Sherrod got a government payout as part of a previous settlement with Black Farmers. And they seem to think there is some sort of a connection between that and her getting a political appointment to the USDA last year. Do you know any details of that? And do you think that there --

MR. GIBBS: There is no connection that I'm aware of, certainly, no.

Q And then on -- finally, on the President's unemployment event a couple of days back, a local TV station in Charlottesville is now saying that one of the people that the President held up as an example is Leslie Macko. And he said that she is something who -- we need to extend unemployment compensation benefits for people like Leslie. And the station is reporting that she was convicted of prescription drug fraud in March of 2009, about a month before she lost her job. And I wonder, was the White House aware of this before they brought her out to use her as an example? And do you do any sort of background on check?

MR. GIBBS: I don't know the circumstances around this particular event. I certainly -- I saw a couple of news reports before I came out here. Without knowing a lot, I would certainly say that had that type of information been known, I doubt seriously that -- she would not have participated in the event here.

I hope that doesn't take away from -- and I don't think it should take away from the message the President had that day, that as in the midst of the greatest economic calamity that we've seen since the Great Depression, that we ought not take steps together to extend unemployment insurance to those that are out of work.

Q But are you examining your policies? Is there a background check that's done?

MR. GIBBS: I don't know the specifics. Again, it's safe to say that had we known it, she wouldn't have been.

Yes, ma'am.

Q Robert, the President talked extensively at the Urban League and also on "The View" about this whole -- about Shirley Sherrod, about talking about race. Now Ms. Sherrod says she's going to sue Andrew Breitbart. I wonder, does the White House think that that suit is justified? And also how does that --

MR. GIBBS: I will excuse myself from that based on the fact that I have -- I'm not a lawyer. Even if I was, I wouldn't -- I don't know why I would get into answering questions about one citizen's decision to sue another.

Q But how does that play into the whole narrative, to the whole teachable moment? I mean if you have an incident like this and it turns into a lawsuit, surely that doesn't play into what the White House hopes come out of an event like this.

MR. GIBBS: Well, look, I'm not going to speak for the actions of the individual that put up a video that clearly was heavily edited to the point of not showing the end of the story. But I'm not going to get into the legal back-and-forth of this.

Q But if this --

MR. GIBBS: No, no, but let's understand this, regardless of the lawsuit or who wins or who files it or where it's heard, that's not -- I don't know how that detracts from the fact that, as the President has said since that and

reiterated in the past couple days, that it is important to listen to all of what people have to say, to hear their entire story before making a judgment.

I don't think that is changed at all by legal decisions that are made around that. That is still -- that's still the lesson that someone should take from all this. And I don't know why you wouldn't take that lesson based on the fact that somebody made a legal decision.

Q But because this was an administration employee by the fact that this person actually worked for the USDA, so that -- the President stepped in with Henry Louis Gates and held "the beer summit" in something that he was much less involved in. Is it appropriate then, so this does not descend into a lawsuit, for him to hold some kind of a conversation on race, or to do something to mitigate this so that we're not talking about this forever?

MR. GIBBS: We're not talking about what forever, the lawsuit?

Q We're not having this back-and-forth between Sherrod and Breitbart.

MR. GIBBS: The President got close to 60 million votes not to be somebody's chief legal advisor, but to be the Commander-in-Chief and to run the affairs of the United States of America. Individuals can and should make their own legal decisions regardless of who their employer is.

Q Robert, that's not what she's saying. You were brought -- this administration was brought into it, in the weeds of this because of your reaction and --

MR. GIBBS: April, I would not get involved in -- if a federal employee had been dismissed from federal service, got into a car and --

Q Forced to resign.

MR. GIBBS: Or however -- and got into a car accident that they believe they should sue about, why would the President or the administration get involved in that?

Q But this administration --

MR. GIBBS: No, no, but why would --

Q -- is a casualty of this Breitbart --

MR. GIBBS: Hold on, April, why would the President --

Q -- a highly -- heavily edited videotape --

MR. GIBBS: Why would the President or the administration get involved in that lawsuit?

Q Because you are -- this administration is part of the --

MR. GIBBS: We would get involved in that lawsuit?

Q No, this is -- no, what I'm saying is you've been brought into --

MR. GIBBS: I appreciate it -- I'm happy to talk about what the President talked about. The President, I just want to be clear, doesn't work for the Legal Services Administration, okay? He doesn't provide legal advice to employees of the administration. I wouldn't ask the President legal advice on something that I was doing. I --

Q Would you consider yourself a casualty of this Breitbart tape, what happened here?

MR. GIBBS: I think as I said in the days past it, I thought the administration acted rashly. I think the media in moving this story quickly acted rashly. I think people probably, based on the video, came to conclusions about what or wasn't said rashly. I said that all a week ago.

Q But if the conversation on race was worth having for Henry Louis Gates, why is not worth having and being a leader on that now?

MR. GIBBS: Yunji, I don't think the President has to be the teacher at every teachable moment. I hope you can look at what happened and discern the lessons that one should take away from it without having to have the President tell you what to take away from it.

Q They're still fighting.

MR. GIBBS: Who's still fighting?

Q Shirley Sherrod and Breitbart.

MR. GIBBS: And I assume that that's going to happen -- I don't understand how that's part of what you take away from -- that now is what you take away from this whole moment?

Q What I take away from it is irrelevant. I just wonder if --

MR. GIBBS: No, no, no, you've posed the question. Let's delve into what -- you've said that the teachable moment is now erased based on the fact that one person has decided to take legal action. Does that erase the teachable moment that you took away from this individual circumstance?

Q Absolutely not. But I wonder if the President --

MR. GIBBS: I don't think it's takes away from most people's teachable moment.

Q - can be more of a mediator or a leader in this circumstance.

MR. GIBBS: Again, I think the President has spoken about what he takes away from it. I hope you take away something from it without necessarily having to speak to the President about it. I think we can all come to our own reasonable conclusions about it.

Chip.

Q I take it the President is not planning on a major speech on race as a -- (laughter.)

MR. GIBBS: If he does, he'll hire Yunji as a lawyer -- (laughter.)

Q I just wanted to confirm that. Is the President -- first of all, do you have anything on the Arlington Cemetery situation, the Claire McCaskill investigation now finding that it's not 211 graves that have been misplaced or misnamed but 6,600 possibly, a major scandal over there?

MR. GIBBS: Well, look, I said this when it was thought to be the lower number, and I think it remains true with the shocking numbers that we're now seeing, that what has happened here is completely unacceptable. Arlington Cemetery is the hallowed ground and resting place for those who have bravely served our country. And they deserve far better than the treatment that they received. Secretary McHugh has made correct personnel changes, and the former superintendent has taken responsibility for what happened. But what did happen is not acceptable and should not happen.

Q Is the President aware of this, do you know? What was his reaction?

MR. GIBBS: The President has seen reports about this and shares -- rightly shares the opinion that what happened is unacceptable.

Q Does it sound like a firing offense somewhere in there?

MR. GIBBS: Well, again, the superintendent has taken responsibility and Secretary McHugh has fired many people.

Q On immigration --

Q Quick question on Sherrod. I guess she told an organization this morning she wasn't sure if she was ready to decide if she could accept the new job, and one of her concerns was that there was no budget for this office. Can you allay those concerns?

MR. GIBBS: I would point you to the -- the USDA has been talking to her and they're the ones who offered her the job. Again, I think it is -- as you've heard the President say and as you've heard the Secretary of Agriculture say, she has unique experiences that would be valuable in this government.

Q Is the job offer indefinite?

MR. GIBBS: Again, I'd talk to Secretary Vilsack's office.

Q Okay. On the tax cuts, the President has often said in the past, remarking on the Bush tax cuts, that they -- that the tax cuts were for the richest and they weren't paid for. So my question to you is, you plan to extend the Bush tax cuts for the middle class; do you have a plan to pay for those?

MR. GIBBS: the President believes that those tax cuts should be extended. We will work with Congress on how to do that. The President believes we cannot afford to raise taxes right now on the middle class, but that we cannot afford to add, in addition, to add to our deficit an additional \$700 billion for the high-end Bush tax cuts.

Q But as far as the middle class is concerned, he's okay with not paying for it, not adding --

MR. GIBBS: Well, again, we believe that it would be wrong right now to raise taxes on the middle class.

Q And if that means deficit spending, so be it?

MR. GIBBS: If that means deficit spending, that's what it means. But I think that's exactly why the President has drawn the line on \$700 billion in additional tax cuts for those that are the wealthiest among us. I will say this. It was the Republicans' belief only a few weeks ago that you didn't have to pay for any of this.

Q But can you make -- I mean, can you make a consistent argument why deficit spending is okay for the middle class but not okay for the wealthy?

MR. GIBBS: Because of the economic --

Q I mean, is it a value judgment essentially?

MR. GIBBS: No, because of the economic situation that we're in -- the middle class has long before December 2007 taken a hit. Their jobs have been lost. They're working longer hours for less pay. And it wouldn't make sense to raise taxes on the middle class. That's why the President believes we should extend those tax cuts, but not those for high-income earners.

Yes, ma'am.

Q You touched on this before, but why do you think the public is less supportive of the auto bailout now than they were a year ago? Polls have shown --

MR. GIBBS: Again, I don't -- I said this earlier -- I don't think people know the whole story. I think the President will tell that whole story and I think people should make an evaluation off of that.

Q Is it the term "bailout" that you think they're reacting to?

MR. GIBBS: Again, I don't -- I haven't seen the polling, but I would say that I think having an understanding of the whole story gives you a better understanding of what's happened.

Q And also, is the White House concerned that BP is pushing to hold hearings in Houston rather than in New Orleans? The government wants the hearings in New Orleans because that's where most of the oil workers and fishermen --

MR. GIBBS: Let me see if I can find something on that and I'll get back to you.

Do you have anything?

Q Thank you, Robert. A growing number of people have started to call on the administration not to defend what the President refers to as the so-called Defense of Marriage Act, including Steve Hildebrand last week and the Human Rights Campaign, which is the largest LGBT community lobby, and quite frankly, is usually fairly favorable towards the administration so it was a turnaround for them to call on the administration not to defend that law. The President has called DOMA discriminatory. Does the President believe that a discriminatory law is constitutional?

MR. GIBBS: I don't -- the President hasn't the, to the best of my -- I have not heard the President intone what he believes the constitutionality of the law is. I know he believes that the law should be changed. The legal decisions around the next steps in that case I believe will be made at the Justice Department and I would point you over there to them.

Again, the President believes in this case, the President believes in the case of "Don't Ask Don't Tell," that those are laws that he has believed for quite some time should be changed.

Q Robert, the ACLU issued a report today warning that the administration risks institutionalizing what it describes as some of the worst national security policies put in place by the Bush administration, such as indefinite detention, military commissions, and a targeted killing program. And I'm just wondering, how do you respond to that?

MR. GIBBS: Well, let's take military commissions as an example. I don't know if the report evaluates military commissions that existed either before the court struck them down or whether or not they take into account the reforms that the administration worked with Congress to change. I think there are very different evaluations.

I'm reminded that at almost every opportunity, somebody, I think wrongly, suggests that our policies are markedly different from -- or our policies are such that they won't keep us safe, and criticize the positions that the President has taken. So it's ironic now that in the same argument, there is somebody who says they're completely the same.

Q Robert, the President tonight has another closed fundraiser; it's not going to be open to the press. Is this part of a trend? I mean, in the interests of transparency --

MR. GIBBS: This has been our practice since the campaign, and that is if the President makes formal remarks that it's either an open -- a full open event or open to a pool. And if it's not open, it's because the President is not making remarks.

Q He hasn't been making any sort of remarks at these venues?

MR. GIBBS: The President hasn't made formal remarks, no.

Q How is the U.S. attempting to monitor who has read the WikiLeaks in terms of, like, bad guys who you wouldn't want it reading it?

MR. GIBBS: I'd point you to the Pentagon, who also won't answer your question. (Laughter.)

Q On a similar note, is the U.S. or NATO, any NATO partners, in the position of considering offering asylum in any way to some of the cooperating parties in Afghanistan who may now be in trouble?

MR. GIBBS: Again, I don't know if this comes up in Secretary Gates' briefing today, but they may have an answer on that.

Richard.

Q Quickly to follow on some of the questions on what the public does and doesn't understand on auto, could the same thing be said about TARP, about stimulus, about a lot of the steps you've taken where the benefits are what didn't happen as opposed to sort of what did happen? And do you have a sort of three months to tell that story in all of those cases, not just on autos?

MR. GIBBS: Well, look, I think on each -- look, I'd start with a story I think a number of you all covered and that is what had happened had these actions not been taken. You all are familiar with the graph that I usually show you all that shows a dip in employment that equals to between 8 and 8.5 million jobs, right? Two economists -- one a former Fed vice chair, the other the principal economic advisor for the presidential campaign of John McCain -- in a paper a couple of days ago said, were it not for these steps, that graph wouldn't extend to 8 or 8.5 million jobs, but twice that level. That I think anybody would admit that losing 16 million jobs over the course of a two-and-a-half year recession would have put us into an economic depression.

Q And does the public not understand that?

MR. GIBBS: Well, look, I think it's always challenging, Richard, to explain to people actions that were taken that you didn't -- that didn't necessarily garner a lot of publicity because -- or ended something from happening or making it worse. I mean, look, I think a good example is, when was the last time you guys did a story on H1N1? You didn't because we took a number of steps and were fortunate enough not to have an epidemic of the proportions that we might have faced.

The challenge will be to continue to tell the story of the important and tough decisions that the President made and the benefits to those decisions. I think part of this will happen when more and more people find work, when more and more people find economic stability in their lives.

But I think it will continue to be a struggle, Richard, for -- to create that type of recovery when the Senate does what it did today, and that is employ the same tired, partisan tactics that the American people are sick and tired of to hold up a small business bill that cuts capital gains taxes to zero, increases the deductions that small business can make on investing in equipment, and helps provide capital to community banks to loan to small businesses.

Again, if you had a nickel for every time on Capitol Hill you heard, "Let's help small business," you'd be among the wealthiest people in this country. So why on Earth does cutting capital gains taxes, increasing the money we lend to small business, and increasing the amount that they can deduct based on their investments in new equipment, why on Earth would that fall prey to the same old tired, partisan politics unless one side was much more concerned about playing politics than it is about helping this economy along?

That is the fight that this President has had to wage in many cases since the very, very beginning of his administration. He will continue to make the tough decisions. And I hope that those that are more interested in playing politics rather than helping small businesses get the help they need -- I assume they'll hear from their constituents about how unproductive that really is.

Thanks, guys.

END

3:47 P.M. EDT

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