

The White House

Office of the Press Secretary

For Immediate Release

October 24, 2011

**Press Gaggle by Press Secretary Jay Carney en route Las Vegas, Nevada**

Aboard Air Force One  
En Route Las Vegas, Nevada

12:46 P.M. EDT

MR. CARNEY: Welcome aboard Air Force One on this fabulous Monday as we make our way to Las Vegas, Nevada, where, as you know, the President will have an event to discuss two things, really -- the refinancing proposal that you've seen written about this morning and about which there was a detailed conference call that your colleagues should have been on. We'll also make sure you get a transcript of that -- has a lot of the technical details we can provide you.

And then we'll also -- with the site, the home where the President is having an event, will highlight the Project Rebuild component of the American Jobs Act, which is building on a program in the Recovery Act that is aimed at neighborhood stabilization, puts federal money together with construction workers to help neighborhoods that are blighted by homes with foreclosure signs, or dilapidated buildings, businesses and homes; rehabilitating those homes, improving their neighborhoods, which helps arrest the drop in the home prices. So, really, he'll be talking about two components of the President's approach to dealing with the enduring problems that we have in the housing market; and with regard to the refinancing proposal, demonstrating that President Obama believes firmly that we cannot wait -- we can't wait for Congress to act.

As we've seen now twice, Republicans have in lockstep voted no to jobs bills that most recently would have put up to 400,000 teachers and firefighters and police back to work. Previous to that, they voted no in unison -- 100 percent -- against the full American jobs bill, which as you know, outside economists have said could put up to 1.9 million Americans to work, and would grow the economy by up to 2 percent.

The executive actions that the President is highlighting today, the one he is highlighting today builds on actions he's already taken, including the announcement made recently to grant waivers to states to -- in the way that they deal with No Child Left Behind. Again, because Congress would not act, the President is acting. Measures taken to speed up the payments to businesses that do work with the federal government, speed up those payments are very beneficial, and then an announcement that came out of HHS that will save hospitals and providers more than a billion dollars.

So these are the kinds of things that the President can do using his executive authority. They are not a substitute for congressional action, which is why he continues to urge Congress to wake up and realize that there is an urgent need right now to take action on the economy, to take action on jobs.

If you'll forgive me, going back to this debate we seem to be having with our Republican friends in Congress about whether or not they, too, have a jobs proposal, I want to be clear we acknowledge that they have put forward proposals that they call jobs proposals. But I will read from you -- to you from a blog posted up by Macroeconomic Advisers this morning regarding the Republicans' Jobs Through Growth Act:

"Without more detail on the Republican plan, we cannot offer a firm estimate of its economic impact in either the long or short term. However, if what we do know of the JTGA" -- that's the Republican plan -- "were enacted now, we would not materially change our forecast for either economic growth or employment through 2013."

Two years: No impact on growth or jobs. If Republicans in Congress are saying essentially there's not a problem that needs to be fixed for the next two years, then this is the jobs plan for you, okay?

Furthermore, as you know, as part of that proposal, there's a balanced budget amendment attached to it. "If actually enforced in fiscal year 2012" -- again, I'm quoting Macroeconomic Advisers -- "a balanced budget amendment would quickly destroy millions of jobs while creating enormous economic and social upheaval."

That's just their analysis of their plan. "A balanced budget amendment would amplify cyclical swings in the economy. Furthermore, it would likely be abandoned or circumvented at the first recession after ratification, creating confusion and uncertainty over fiscal policy" -- something I thought Republicans wanted to avoid.

I could go on and on, but I recommend that you read it. It's filled with very insightful analysis about what they say are some good proposals within the jobs -- within the Republican plan, but none of them have a positive impact on growth for the economy in the near term.

That's not just us saying it. That is, in this case, Macroeconomic Advisers. With that, I will take your questions.

Q Jay, the housing crisis is considered the biggest drag on the economy right now. Why did the President wait until now to expand this plan that he has had out there so that more homeowners can take advantage of it? And do

and how to expand this plan that he has had out there so that more homeowners can take advantage of it? And do you have an estimate on how many homeowners would actually be able to take advantage of this?

MR. CARNEY: I don't have an estimate for you. We know that the program would benefit homeowners whose homes are underwater by knocking down barriers to refinancing. If you're a responsible homeowner who makes his payment but faces a situation that is all too common in Las Vegas and in the state of Nevada where your home is more than 125 percent underwater, where the cost of your loan is more than 125 percent the new value of your home, you cannot get refinancing even if you're a totally responsible mortgage payer.

So this will knock down that barrier, will eliminate the cap, and enable people who are paying 6 or 7 percent on their mortgage to refinance at today's very low rates.

Look, the President has taken a series of measures since he took office to deal with this unbelievably difficult problem. Those measures have -- the HAMP program, for example, has helped over a million homeowners. Some of the other measures I talked about through the Recovery Act, the Neighborhood Stabilization Act, have been helpful. He will continue to do things, like he did earlier this year or a few months ago, giving a forbearance for unemployed homeowners on their mortgages, and then today with the financing proposal to tackle this problem. There is no silver bullet. It is a big, big program that requires consistent action, both through executive action and through congressional action. If Congress would act, we could get Project Rebuild funded and helping homeowners right away.

Q What you need is fundamental change, though, in the federal housing programs. The administration really hasn't offered anything to Congress for Congress to deal with. Why not?

MR. CARNEY: Well, again, the President has put forward a series of proposals. I think that it is simple to say that there is some sweeping fundamental program out there that if somehow we would just do it, it would take care of all the problems. The fact is, this administration and this President have been taking action to address the housing situation consistently since they came into office January of 2009 and they'll continue to do it. Unfortunately there is no silver bullet, there is no simple fundamental restructuring that will wipe away the damage done by the bursting of the housing bubble. But there are measures that we can take that can help homeowners, that can lessen the impact of this crisis and put us back on a path that will help the economy grow, which ultimately will obviously help the housing market.

Q Can you talk a little bit about the student loan announcement on Wednesday? And then also, an estimate I saw was that this would help -- the announcement today would help 1.7 million homeowners, but there are 11 million that are underwater, so I guess this gets back to Jim's question, but is it enough?

MR. CARNEY: I don't have a figure that I'm attaching that I'm putting forward as this administration's projected number on how many people might be helped. I mean, outside analysts may do that. The point is, is that if it's -- you're saying that whatever it is, it will be short of the total need. Well, I don't think we're going to contest that. Does that mean we shouldn't do it? Absolutely not, because however many homeowners are helped by this will be very grateful indeed for the assistance that allows them to refinance at today's low rates, saving hundreds of dollars a month, sometimes thousands of dollars a year, that obviously will help them -- put that money in their pocket, which in turn goes back into the economy in most cases. So this is a virtuous circle, if you will -- or cycle, rather.

So, again, I'm not going to attach a number to it. I don't have anything more for you on the -- what the President will be announcing on Wednesday beyond what's written about today. I can try to get more for you.

Q This use of executive order, does that signal a trend? Will we be seeing more of that on economic policies in the coming weeks?

MR. CARNEY: You'll be seeing more of it, yes you will. This President will take every action that he can that's within his power to take to try to grow the economy and create jobs. It is not a substitute for the action that Congress absolutely must and should take, which is -- it is simply a part of doing everything you can: Focusing on what is the number-one issue for most Americans, which is an economy that's not growing fast enough, an economy that's not creating enough jobs.

What is puzzling to us is the absence of proposals in Congress that would have an immediate near-term impact on economic growth and employment. And I just want to be clear, because there have been complaints from some Republicans who say that we haven't acknowledged that they've put forward proposals. Yes, they've put forward proposals, but not just by our observations, by the observation of independent outside economists, those proposals at best would have no positive impact on economic growth or job creation in the near term, as I just read you.

By near term, I mean the next two years, and at worst, would actually cost millions of jobs. So that's not us saying it; it's just a fact. There can be good ideas in their proposals, and those ideas like tax reform we should be discussing and coming to an agreement on and putting into place for the long-term economic benefit of the country. But we have an immediate need now, and right now the President has put forward a plan that has -- addresses that immediate need. It's paid for and the Republicans have not -- and instead they're just voting against it in lockstep.

Q Why use executive order, and what other areas might the future ones cover?

MR. CARNEY: Why use it? Because we have to do everything we can. And this President has the authority to

take actions like this, and the ones he's taken on No Child Left Behind, on payments to businesses doing work with the federal government. And he'll continue to look at ways that can use his authority, his executive authority, to positively affect economic growth and job creation --

Q Is Wednesday student loans?

MR. CARNEY: -- as well as the impact -- whether students are grappling with burdensome financial loans or homeowners are grappling with mortgages that are underwater. So it's the economy writ large that we're talking about.

Q So that announcement Wednesday is an executive order on student loans? I mean, is there --

MR. CARNEY: Let me see what else I can get for you on that. I'm not sure how much I have for you on that today.

Q Jay, is the President giving up on his exhortation to Congress that they should pass this bill?

MR. CARNEY: Have you, Peter -- were you here for the last 10 minutes? It is not a substitute for congressional action. Congress must -- sorry, I didn't mean -- but Congress must pass the individual components of the jobs act.

As you know, the Senate has announced that it will be taking up the infrastructure portion of the jobs bill when it comes back. That's \$50 billion fast-tracked down payment money on our infrastructure needs, plus a \$10 billion national infrastructure bank. Pass it now. Republicans used to like doing this stuff. It's paid for -- paid for in a way that is overwhelmingly supported by the vast majority of the American people. And those same Americans have to be wondering why Congress won't pass things that have broad bipartisan support out in the country, that have been evaluated and estimated to create up to 1.9 million jobs and 2 percent economic growth, and are paid for in a way that most Americans think is eminently fair.

Q Let me try phrasing the question a different way.

MR. CARNEY: You will continue to hear him call on Congress to pass the American Jobs Act.

Q Well, let me try one more way.

MR. CARNEY: Okay.

Q Is there a reason -- given the way Congress has voted up to this point, is there reason to believe that they might have some -- there might be some kind of sea change in the way they vote in the future?

MR. CARNEY: Every time Republicans go home -- which they're doing now, the Senate Republicans -- it is entirely possible, if they break out of their bubbles and actually engage with their constituents, that they will learn that the number-one priority in their states is the economy; it's jobs. I don't know a state where that's not the case. And that hopefully that will have an impact on how they behave when they come back, and the issues that they think are significant.

But we certainly intend -- working with Senate Majority Leader Harry Reid -- we certainly intend to give Senate Republicans every opportunity to vote on all the provisions of the jobs act, to demonstrate their commitment to growing the economy and creating jobs.

Can I just go back on the housing stuff? One thing that we -- when I was asked, I guess by Kate, about whether or not this will solve all the need out there, all the -- will be able to assist all the homeowners out there who have underwater mortgages -- and the answer is no, but it would assist many, many, many American families who face this situation and could use the assistance. What we firmly do not believe is that the answer is not to simply let the housing market bottom out and let investors come in and fix the problem. That's not a solution. That's a solution that basically says to middle-class Americans who have been responsibly paying their mortgage and who, through no fault of their own, have seen their economic situation get quite desperate because of the prices in the housing market that you're on your own -- tough luck, I'm not going to help you. That's not this President's approach.

Q That's a specific response to what Romney was proposing?

MR. CARNEY: I have heard that Governor Romney said something like that, yes.

Q Jay, on -- go ahead.

Q Oh, I've got something to talk about on Iraq. So do you want to stay on subject?

Q I had a question on Ambassador Ford. He's being recalled because of the threats against him. Is the administration doing anything retaliatory to Syria or putting more security in Syria? Sending their ambassador home? What steps are you guys taking other than bringing him home?

MR. CARNEY: I don't have any more detail for you on that. I would refer you to the State Department. Ambassador

Ford is a pretty impressive public servant, and the work he's done over there has been incredibly commendable. But in terms of the circumstances of bringing him home, I refer you to the State Department.

Q So, Jay, on Iraq. I mean, you're probably aware of this -- over the weekend, GOP candidates were talking about how the President's decision to withdraw all troops from Afghanistan by the end of the year is -- was based on political motivations and just sort of sheer ineptitude. First of all, what's your comment on that? And then also, is the President confident that Iran is not going to become a larger influence on Iraq once troops are out?

MR. CARNEY: On the first point, I just want to make clear that you're referring to the President's announcement on Friday to keep his commitment to withdraw all U.S. forces by the end of the year -- a commitment signed into -- an agreement signed by the Iraqi government and the Bush administration.

So in response to the criticism, I just have to ask, you know, what country are they living in? What planet are they living on? Because, again, this President has -- from the very beginning when he ran for office, he made clear what he wanted to do in Iraq, which was end this war responsibly in a way that was in the best interests of the United States. He made clear from the beginning that he would keep the commitment made by the Bush administration with the sovereign Iraqi government to withdraw all U.S. forces by the end of 2011. In the interim he has kept commitments to withdraw all U.S. forces from the cities in the summer of 2009.

Same critics, same kinds of critics said, oh, there will be an eruption of violence in Iraq if you do that; everything will go terrible. Didn't happen; security improved. Then he kept his commitment to end our combat operations, withdraw all forces to bases and draw down to 50,000 last summer. He did that. Again, the chorus of critics, similar critics, said, oh that will be terrible, it will result in a worsening situation for security. And in fact the Iraqis -- as we said they would -- stepped up and the security situation continued to improve.

That has been the case all along. This has been a very thought-out policy, and a very deliberate commitment kept by this President. And I don't -- I guess what I'm curious to learn from the -- from those critics that you cited is, what are they suggesting? U.S. troops without end in Iraq? Are they suggesting that we violate an agreement that's signed by the Bush administration with the sovereign government of Iraq? That we keep troops there without the consent and agreement of the Iraqi government?

I'm not sure what they're talking about. I'm not sure they actually spent a lot of time thinking about it. That's my own opinion.

On the other issue, we are confident of two things: one, that throughout this process the Iraqi people and Iraqi politicians have chosen politics as a mean to resolve their differences, and they have demonstrated a commitment to Iraq and an Iraqi nationalism that very much rejects the idea of undue and unwelcome Iranian influence in their national affairs.

The fact of the matter is that Iran, despite many efforts to control outcomes in Iraq, has failed again and again. And we will continue to work with Iraq in -- as we build this post-2011 partnership with them to ensure that their sovereignty continues to strengthen.

So we have a lot of means. We have our views on Iran and Iranian behavior and we obviously have a lot of means to address that issue. We remain very confident that Iraq has the capacity to maintain its own security. They've been in the security lead now for quite a long time and have done it effectively. And they will continue to do that.

Q Jay, the European leaders had a meeting on Sunday where they made some progress against the European debt crisis and they're putting off a few decisions until Wednesday.

What's the reaction to what was agreed yesterday, and does the President have any plans to make any further calls to European leaders?

MR. CARNEY: The President spoke in a conference call last Thursday with leaders of France, Germany and Britain, as you know. And I don't have any updates on phone calls.

But our view remains the same, that Europe needs to take conclusive action to deal with these challenges. We believe they have the financial capacity to do so, and they need to act with the kind of political will that's necessary to get it done. We continue to work with them. Secretary Geithner continues to work with them as we -- in these days leading up to the G20. And we expect that they will take the kind of action that's necessary.

Q Do you have any reaction to Karzai saying that Afghanistan would side with Pakistan in a war with the U.S.? He apparently said that in a radio interview.

MR. CARNEY: I mean, I don't have any reaction beyond that our relationship with Pakistan, as you know, is complicated but important. Our cooperation with Pakistan continues and is vital to our efforts to combat al Qaeda. And, I mean, that's a hypothetical that doesn't have a lot of bearing on current reality.

Q If we could go back to Peter's question about the jobs bill. Okay, I'll ask about your tie then. (Laughter.)

MR. CARNEY: Nice.

Q You're speechless.

Q You addressed us a bit on Friday at the briefing, but why not go after the doable portions of the jobs bill and provide assurance to the public that those things at least can be done? I mean, what you said on Friday was that there's no hurry because those don't expire until the end of the year -- the payroll tax cut, for instance; unemployment insurance. But why not provide assurance to the public now that something is going to get done?

MR. CARNEY: Well, again, I think we're moving with relative speed here, given that it's Congress, to take up each provision of the American Jobs Act. You can absolutely anticipate that the payroll tax cut portion of the American Jobs Act will be voted on, will come up. And we certainly hope that members -- Republican members of Congress who thus far have voted in unison against the American Jobs Act and its component parts will not also decide to vote against a provision that would extend the tax cut and thereby in effect raise taxes on middle-class Americans, because they don't want millionaires to pay a little bit more.

Now, I know there are some Republican candidates who have taken that position that don't think the payroll tax is a good idea and therefore support raising taxes on middle-class Americans. We remain hopeful that that is not an opinion broadly shared by Republicans in Congress.

Q Thank you, Jay.

MR. CARNEY: Thank you, guys.

END

1:09 P.M. EDT