

Press Briefing by Press Secretary Jay Carney, 6/13/12



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June 13, 2012

The White House

Office of the Press Secretary

For Immediate Release

June 13, 2012

James S. Brady Press Briefing Room

12:58 P.M. EDT

MR. CARNEY: Hello, everyone. Good afternoon. Thanks for being here. Before I take your questions, let me give you a little readout.

President Obama spoke separately today to European Council President Van Rompuy and Mexican President Felipe Calderón to discuss the economic situation in Europe as well as preparations for the June 18th-19th G20 Summit in Los Cabos, Mexico.

This continues the President's close consultations with fellow leaders about the global economy. President Van Rompuy agreed on the importance of steps to strengthen the resilience of the eurozone and growth in Europe and globally. President Calderón discussed the agenda of the Mexican presidency of the G20. In both calls, the leaders agreed to work closely together toward a successful summit in Los Cabos.

And with that, I'll take your questions.

Q First on the President's economic speech tomorrow, can you tell us what's new in the speech? Reporting so far suggests that it's a lot of the same things we've heard before. Why package it this way? And will there be something new to it?

MR. CARNEY: I'll say a few things about that. It is a campaign speech, as has been reported, so I would refer you to the campaign for more details about it.

I can tell you that the President believes that this election is a fundamental choice between two very different visions for how we grow the economy, create middle-class jobs and pay down our debt. The other side's plan is a \$5 trillion tax cut that explodes the deficit while gutting the investments we need to grow. The President's plan is to pay down our deficit in a balanced way, a way supported by the majority of the American people, while still investing in education, energy, innovation and infrastructure.

And I think that the President will discuss that tomorrow. But I won't get into details previewing the President's speech, because we certainly want you to listen closely when he delivers it.

Q And on Iraq, we've got car bombs killing more than 60 people today -- sounds like 2006, not 2012. How concerned is the President about the slide toward violence in Iraq? Do you consider it on the way to being a failed state? And separately, are you considering pulling the nominee of the U.S. ambassador to be -- nominee to be ambassador Brett McGurk?

MR. CARNEY: I'll start with the second part. The President has nominated Brett McGurk to be ambassador to Iraq for the United States. We believe that our nation will be greatly served by his experiences in Iraq, and we look forward to the Senate's advice and consent on his appointment.

With regard to the violence, we strongly condemn the recent attacks in Iraq. The targeting of innocent civilians and security forces is cowardly and reprehensible. We offer our condolences to the families of the victims, and support the continued efforts of Iraqi government forces to bring those responsible to justice.

I would simply say that it's important to remember that while we have seen that extremist groups in Iraq are still able to use violence and cause harm, we believe their capabilities have been diminished in recent years. Also, Iraqis continue to reject extremist tactics in support of peaceful methods of resolving their disputes.

There have been occasional periods where there have been increases in violence, but overall violence is greatly decreased from the time period that you referenced in particular. Also I think worth noting is that Iraq hosted -- Baghdad hosted an important

series of negotiations not that long ago, and their ability to do that in a secure way demonstrates the progress that they've made in that country and in their capacity to provide security in a place like Baghdad.

Reuters.

Q Jay, the Secretary of State has accused Russia of providing attack helicopters to Assad's forces in Syria, and Russia has accused the United States of supplying arms to the rebels. I wonder if you could explain how President Obama and President Putin will address this in Los Cabos, how serious a strain it is to U.S.-Russia relations, this issue.

MR. CARNEY: Sure, a couple of points. One, we do not and have not supplied weapons to the Syrian opposition. You know our position on that, and we've made it very clear. That position has not changed.

What Secretary Clinton said was a continuation of what we've been saying, which is we have been expressing our concern about the provision of arms and weaponry to the Assad regime. This is not new, but it is an issue that we have discussed with the Russians and we obviously view with some concern because it enhances Assad's capacity to wage war -- or wage violence upon his own people, which is what he's been doing.

So we are engaged with the Russians on this issue, as you know, and we obviously have some differences with the Russians on this issue. Where we broadly agree I think and where the entire international community agrees is that we need to create a situation that allows for a transition in Syria during what remains a window of opportunity here, but a closing window of opportunity, to achieve that transition before the situation devolves into a broader sectarian civil war.

So we are continuing to engage with our international partners in different forums -- the United Nations, the "Friends of Syria" and elsewhere -- to isolate and pressure Assad. We take new steps regularly with our partners to do that through sanctions and other means to help prop up -- or stand up the opposition, help it organize itself, provide it nonlethal assistance and humanitarian aid to the Syrian people. And we'll continue to do that.

Meanwhile, the situation in Syria is obviously terrible. Assad's brutality is unacceptable. He will go down in history as a tyrant who will be loathed by generations of Syrians who are the victims of his brutality.

Q Will the President be speaking with his Russian counterpart about the attack helicopter issue ahead of the G20, or will that wait until --

MR. CARNEY: Again, I would just say that the issue of helicopters is part of a broader concern that we've expressed and will continue to express as we discuss with the Russians and others about next steps that need to be taken to help bring about the political transition that is so essential for the future of the Syrian people.

I am sure that Syria will be a topic of discussion both in bilateral meetings as well as more broadly at the G20. But I don't have anything specific in terms of what will be on the agenda in that specific bilateral.

Yes, Jake.

Q To follow up on the question on McGurk, the letter from the six Republicans on the Senate Foreign Relations Committee is pretty specific about their issues. They say he lacks -- McGurk lacks the leadership and management experience necessary to lead America's largest embassy in one of the most volatile -- the world's most volatile regions. Members also have further doubts that stem from his role in the botched 2011 status of forces agreement negotiations. Furthermore, senators are concerned by a report that some Iraqi political groups have stated they will not work with McGurk if confirmed. And finally, the public release of information detailing unprofessional conduct demonstrates poor judgment and will affect his credibility in the country where he's been nominated to serve.

These are pretty serious concerns. Do you just dismiss them?

MR. CARNEY: Well, I would simply say that we believe that the United States will be greatly served by Mr. McGurk's experience in Iraq, which is substantial. And some of the points that you raise go to differing views about Iraq that have very little to do with our proposed nominee and just a difference of opinion. There are some who believe we should still be at war in Iraq. There are some who believe the President should not have ended

U.S. involvement in the war in Iraq. The President simply disagrees. He made a commitment that he would do that; he made a commitment that he would withdraw U.S. forces, that we would get out of the war in Iraq more responsibly than we got into it. And he has fulfilled that promise.

So there are elements of that letter that have to do with a broader disagreement and --

Q Well, let's forget the ones about --

MR. CARNEY: But in terms of Mr. McGurk, the President supports his nomination. He put him forward. He has a great deal of experience in Iraq not just in this administration but in the prior administration, and thinks he will serve ably as ambassador.

Q There's been a couple ambassadors that have had to step down -- Luxembourg and the Bahamas -- and there have been State Department reports suggesting dysfunctional leadership. Are you at all concerned that the emails that came out last week indicate a certain lack of professionalism by Mr. McGurk?

MR. CARNEY: I don't have anything more for you on that particular issue. The State Department is probably the best place to go for that. I can tell you that the President put forward this nominee because he is qualified for the job and will serve ably when he's confirmed.

Q One other question about the economy. James Carville, in an interview and also in a memo that he co-wrote with Stan Greenberg, expressed concern that the President, when he talks about how the economy is improving, risks leaving the impression among voters that the economy is doing well. And I know that -- I'm sure you disagree. I just wanted to give you an opportunity to respond.

MR. CARNEY: Sure. I would simply say that every time the President speaks about the economy it is about the need to continue to help it grow, to continue to help it create jobs. What we all know is that this country has been through the worst economic cataclysm of our lifetimes. That is what was taking place in 2008 when the last election happened, and in January of 2009 when President Obama was sworn into office. And that has -- stopping

that cataclysmic economic slide, that decline, reversing it and beginning to climb out of the hole that the recession dug for this nation has been the principal mission of this President and this administration.

He never fails to talk about the fact that we have much work to do, as you heard him say on Friday and as he says every time he discusses the economy. And I'm sure he will discuss it in those terms tomorrow when he speaks about it in Ohio.

Look, we are highly cognizant of the fact and understand deeply the fact that the American people are still hurting. This economy and the recession that we went through resulted in something on the order of 9 million jobs lost. We saw, recently in the survey by the Federal Reserve about the wealth of the median American family being devastated by the recession -- devastated. From the fourth quarter of 2007 until the first quarter of 2009, we saw a 40-percent decline in median wealth. That's a fancy way of saying that the bottom fell out and the American people paid a huge price for the recession and the policies that led up to the recession.

And it is the central mission of this President, this presidency, this administration, to put in place the policies that will help us grow, will help us create jobs, and do it in a way that builds a foundation for the economy that is not shaky, that is not constructed out of the insubstantial stuff of housing bubbles or tech bubbles, or financial industry bubbles, but is built on investments in education, in innovation, in infrastructure, in energy. And that's been his objective, and that encapsulates the policy approach he's taken as it regards the economy.

Q Jay, there's a new global attitudes project survey out by Pew that finds vast majorities in places like Britain and France and Germany say that China, not the United States, is now the dominant global economic power. I'm going to assume you disagree, but could you flesh out a little bit why that perception is incorrect?

MR. CARNEY: Well, I'm not an economist, but I know that every economist would tell you that the economy of the United States is still the largest in the world, that the standard of living in the United States is still higher and the highest in the world, and higher than certainly the standard of living, on average, in China.

But I think public opinion I'm sure is shaped by the extremely rapid growth that's taken place in China over a number of years, which has been substantial, but has also -- and has done great things in terms of lifting the Chinese out of poverty, but there are still hundreds of millions of people who remain in poverty in that country. And that is why it is so important that China as well as countries around the globe -- major economies around the globe need to take the necessary actions to continue economic growth and continue job creation. That will be a subject of the G20 Summit in Mexico in the coming days.

Q And can I follow up also on Iraq? You talked about the President's decision to end the war there and how that had some disagreement on Capitol Hill. Does the administration support repealing the authorization for the use of military force in Iraq?

MR. CARNEY: I haven't had that question. I haven't looked into it. I think that we ended the -- the President ended the war in Iraq. He brought our troops home. Through the remarkable service and sacrifice of our men and women in uniform, as well as our civilian personnel in Iraq, Iraq has an opportunity for a much better future. And we remain engaged in Iraq; obviously it's an important country in the region and an important ally going forward.

But as I was saying in answer to the question earlier, there are those who argue here in Washington that we should not have withdrawn forces from Iraq, that eight years wasn't enough, that we should continue to have U.S. troops there. The President disagrees.

Norah.

Q On Syria, does the White House believe that Syria is in the midst of a civil war?

MR. CARNEY: What we believe, what the administration believes is that the situation there is deteriorating. It is deteriorating quickly. It is horrific what Assad is doing to his own people. And the window of opportunity to bring about a transition to a democratic future for Syria is closing, and will close. And if it does, the chance for a broader, sectarian civil war in Syria will be enhanced greatly.

Defining the terminology now, or debating the terminology now is far less important than making sure that we're taking actions collectively to bring about that transition. And that requires the cooperation of nations around the world, nations on the United Nations Security Council -- that goes to what I was discussing earlier about our regular conversations with the Russians and the differences we have with the Russians about the Assad regime in Syria and how to bring about a transition there. But we are continuing to work on that issue for the very reasons that I think prompted your question.

Q France says it; the U.N. Peacekeeping Chief says it. How can you say that Syria is not in the midst of a civil war?

MR. CARNEY: I think that it is largely irrelevant to have a debate about terminology. What we know is that if we don't act quickly, if we don't come together -- at the United Nations Security Council, at other forums, through the "Friends of Syria" and elsewhere -- to help the Syrian people bring about the transition that they deserve, we will be in a situation -- or we will likely be in a situation where Syria is experiencing a sectarian civil war that could spill beyond its borders, that could destabilize the region, that could involve other countries in the kind of proxy conflict that can be very damaging not just to the region, but to the world.

So all of those reasons I think further explain why it is so essential that the international community act and unite around the notion that there needs to be a transition; that that transition cannot include Assad because of what he has done in this past year to his own people. He long ago gave up his opportunity to be a part of that transition. He will go down in history as a brutal tyrant, someone who murdered his own people, and therefore has no place in the future that the Syrian people desire and deserve.

Q The Russian Foreign Minister has rejected the U.S. claim that they are providing new arms shipments to Syria. Do we believe he's providing new arms shipments to Syria?

MR. CARNEY: Again, I can just answer in the way that I did moments ago, which is to say that this has been an issue that we've discussed openly as well as privately in the past. The relationship that the Russian government has with Syria is a longstanding one, and we simply have a difference of opinion about circumstances now with regards to Assad. But the provision of armaments and weapons has been something that we've discussed with the Russians and that we consider to be a problem.

I don't have specifics on arms shipments and the timing of them. But overall it's an issue -
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Q The Russians, as you know, have said that they're just continuing what were previous contracts for arms, and that the stuff that they're providing Syria is not the stuff that's involved in the conflict that's going on internally. You patently reject that. You say that Russia is sending new arms shipments that is fueling --

MR. CARNEY: Those are your words, Norah. I'm using mine, which is to say that Russia has provided arms to Syria. I think nobody disagrees with that. Those arms have and can be used in an offensive way; have and can be used by -- and are being used by the Assad forces to bring about the violence that they're perpetrating on their own people. And that's simply a fact. I'm not here to --

Q From a policy perspective, we're asking Russia to end those arms shipments, or are we not asking them?

MR. CARNEY: We strongly believe that arms shipments to the Assad regime are the wrong thing to be doing and that that only heightens the violence against the Syrian people. And it's part of a broader perspective that we have that we've made very clear that we do not believe that any kind of support for the Assad regime right now is helpful because of what Assad is doing to his people.

And again, we've been very transparent about that. It's part of the kind of relationship that we have with Russia where we can openly discuss our differences as we work together on areas where we agree. And this is something that we're continuing to discuss with the Russians as the world watches what Assad is doing. And one of the points that we make and that I've made here --

Q I don't understand why you're not saying from the podium, Russia must stop.

MR. CARNEY: We believe that everyone should stop providing -- everyone who is providing weapons to the Assad regime should halt the provision of those weapons because it only -- as we've said, providing more weapons only further militarizes the situation. So I think I'm being pretty clear, Norah, about that. And we continue to discuss

with the Russians as well as others the steps that need to be taken to bring a halt to this appalling violence against Syrian civilians and to usher in a period where the future is brighter for Syria, where the possibility of a democratic political transition exists, which is what the Syrian people deserve.

Q Two quick questions on events today -- the meeting this afternoon with President Peres. He's expected -- we expect him to bring up this request on this Jonathan Pollard matter, the convicted spy, to ask for clemency. We know there's been some support from a few members of Congress for the idea of commuting his sentence to time served, 27 years. Regardless of whether you've received the letter or request or petition or not, what is the administration's response or stance on a Pollard issue?

MR. CARNEY: Sure. Our position has not changed and will not change today. And I would simply remind you that Mr. Pollard was convicted of extremely serious crimes.

Q The other one is, tonight at this dinner where of course, President Peres will be given the Medal of Freedom -- I understand you guys aren't -- are you going to be releasing the list of attendees in the interest of transparency?

MR. CARNEY: I'll have to get back to you. I'm not sure.

Yes, Ed.

Q A couple issues. One, David Maraniss has a book coming out. Have people here had a chance to read it? Any reaction at all to it? Because excerpts have come out, obviously, beforehand.

MR. CARNEY: I don't -- I can't speak for everyone. I have not had a chance to read it. I've read the excerpts, I've read about it, but I have not read it in full.

Q So what's your reaction in general, and do you think it will have any impact on the campaign, just looking at the President's life, an author who -- highly respected, et cetera, who spent a lot of time --

MR. CARNEY: Well, I don't have a -- I don't want to provide a book review here from the podium. The President -- the story of the President's life has been told, and not least by the President himself in his own memoir. Whether a book of that nature, the impact it has is sort of not for me to decide. But again, I haven't read it.

Q Last night at one of the fundraisers, the President was saying that President Bush built in what he called a "structural deficit" that extends for decades. And he cited tax cuts, prescription drug plan that was not paid for, wars as well not paid for. What does that mean, though, when he says "structural deficit" for decades, since the tax cuts, for example, were going to be expiring at the end of this year so you could actually get deficit savings from that? The President has wound down the war in Iraq -- you're getting savings from that. I'm trying to understand why this is going to continue for decades if some of that money is coming back.

MR. CARNEY: Well, one I think is the Medicare prescription drug benefit that you correctly mentioned was unpaid for and is the kind of thing that goes on forever because it's an entitlement and contributes -- because it was unpaid for in the beginning and because the authors of the provisions of the previous administration did not see fit to provide funding for it -- in fact, I think there was a very prominent official in that administration, this very White House, who was on the record saying that deficits don't matter. So that contributes to the deficit that we have today.

You know, Ed, that -- what the history is here. January of 2001, when that transition happened, CBO and every economic analyst out there said that the United States had a budget surplus, and that surpluses would continue as far as forecasters could foresee.

Eight years later, when the next transition happened and President Obama took office, those surpluses had disappeared entirely, and he was handed the largest deficit in American history. Something happened. And we know a lot of what happened in terms of the explosion of deficit spending, and it was two massive, unpaid for tax cuts that largely benefited wealthiest Americans -- not the middle class that during that time period saw its incomes stagnate or shrink. We saw two wars that were never paid for in the budget proposals of the incumbent administration or by the Congress. And that contributed mightily to the deficit. We saw the Medicare prescription drug benefit unpaid for. That contributed to the deficit.

And that would be hard enough for any new administration and government to contend with -- a situation where surpluses disappeared and what materialized instead was the largest deficit in history. But in addition to that, that was nothing compared to what else the country was facing in January 2009. As you know, it was an economic crisis the likes of which none of us here had ever seen before. There were headlines every day about the possibility of a global economic collapse. Headlines every day about people -- prominent people suggesting that banks should be nationalized, that we might see a situation of 25 percent unemployment in this country -- something we hadn't seen since the 1930s.

That is the environment that this country was in economically when President Obama was sworn into office. And that is why, as I mentioned earlier, his focus has been so narrowly keyed into the measures that we can take to grow the economy and create jobs. And that is a long-term project when you have a crisis like this. When you see a financial collapse like we saw, recovery takes time. And you need to do not just one thing, but many things to help the economy grow, many things to help it create jobs -- large things, medium things and small things.

And that's why the President has put forward so many proposals that do that. Some of them have passed, and they have had a positive impact, but not enough of them have passed and that's part of the debate that we're having right now. For example, one of the weak spots in our economy has been in the area of state and local government, where budget constraints have forced decisions upon officials in states and localities to lay off teachers, to lay off firefighters and police officers.

We've also seen a situation where because of the collapse of the housing market that contributed so mightily to the decline and median wealth for the average American family, it has meant that construction workers are not on the job. The President put forward measures that would address that. And Congress, unfortunately -- Republicans in Congress -- refuse to adopt them. The President still believes that we can take that action now and put folks back to work in a situation where the economy still needs help.

Q Last thing. When earlier Anne asked about whether there will be anything new tomorrow, you didn't seem to shoot down the idea that there will not be anything new in the speech tomorrow in Ohio. Obviously, we will wait and see exactly what he says. But if he gets out there again tomorrow and says that he inherited this, as you just mentioned -- which he did in early 2009; it was all falling apart -- do you worry, though, that when people are still hurting, they feel like they've heard this before and they feel like he's got nothing new to help them deal with the struggles in their lives?

MR. CARNEY: Well, I've said often, Ed, in recent days and weeks, that the President is constantly tasking his economic team and others to put forward ideas that could help grow the economy, help it create jobs -- whether they're ideas that would require congressional action or ideas that the administration could take through executive action. And he will continue to do that. He recently put forward a set of ideas that Congress could act on that build on the measures he proposed last fall. Congress should act on all of them.

And I think it's worth noting here that we always have these debates and we're having one now in Washington about, well, the President and Democrats have their proposals, Republicans reject them, and the Republicans have their proposals and they blame the President and Democrats for rejecting them. What do we do in that situation? Well, we turn to the referees. We turn to the outsiders, the independent analysts -- in this case, economists -- and see what they say.

And the same economists who have looked at the economic proposals put forward by the President -- that have yet to be passed by Congress -- and the economic proposals that House Republicans in particular tout say, on the House Republican side, some of them would actually do near-term damage to the economy. Some of them might, in the out-years and down the road, have positive economic impact. None of them would have near-term, short-term, positive economic impact -- positive effect on growth, positive effect on job creation.

Those are the referees, right? What do they say about the President's proposals? Those elements of the American Jobs Act that the President put forward, that Congress refuse to pass because they were protecting -- they didn't want to pay for by asking oil and gas companies to give up their subsidies; didn't want to pay for it by asking millionaires and billionaires to pay a little bit extra -- those provisions, as judged by outside economists, would create roughly a million new jobs; would put a million people back to work, and a lot of them teachers and fire fighters -- real folks who are still hurting. And that's the debate. And that's the judgment of outside referees.

So it's not just a question of, well, there's a lot of gridlock and everybody is saying, do what I say. It's a question of what would be good for the economy. And I think one of the reasons why Congress has acted on some of the things that the President has put forward is because he's gone out into the country and taken his case to the American people, and the American people have, in turn, pressured Congress to take action. That was the case with the extension of the payroll tax cut. It was the case with the extension of unemployment insurance. And hopefully it will be the case going forward, because we

need to take action. And the American people expect the folks they send to Washington to work on their behalf and not sit around and make predictions about what will be helpful for their electoral prospects in November.

Yes.

Q Thank you, sir. I'll give you a second to catch your breath, because I'm going to go back to Syria here. (Laughter.)

MR. CARNEY: Appreciate that.

Q So Russia -- you have alleged, the American government has alleged -- is sending attack helicopters in aid of the Assad regime. You have called what's going on there a brutally unacceptable series of events, including the killing. So my question is, is Russia complicit in the killing of some 10,000 civilians?

MR. CARNEY: That is not what we're saying. We are simply saying that it is well known that Syria and Russia have an arms-supply relationship that goes back a half century, including providing arms and helicopters. A change in that relationship will only happen in the context of a larger Russian decision to join the international consensus on Assad's departure.

And that was the point I think I was trying to make to Norah, which is that the whole issue of supplying arms is but a small part of the broader discussion we're having with the Russians, which is to take a different view of the situation in Syria and a different view of Assad's responsibility, and the need for Assad to not be a part of Syria's future.

Q I mean, but that's all well and good. But considering the urgency of the situation, are the -- I mean, calling them out for sending attack helicopters is, in the context of this diplomacy, probably somewhat extraordinary given the circumstances. But you frame it in the context of what -- a long-term relationship. There are 10,000 people who have already been killed over the course of the last year in Syria. What else can you do to convince Russia to stop aiding that regime?

MR. CARNEY: Well, we have regular conversations with the Russians. I'm not going to get into the details of private, diplomatic conversations, but we're certainly having them.

But we're also very clear, as we were when Russia vetoed a resolution, an anti-Assad resolution at the United Nations Security Council, that we disagree on that matter and that's why we're having this discussion.

Q I just want to come back to the issue that broke late Friday -- and forgive me if this was brought up earlier in the week; I wasn't here. First of all, there are some calling for a special prosecutor in the leak case -- your reaction to that. And second of all, was there any communication between the White House and DOJ prior to the Attorney General's announcement on appointing investigators, the U.S. attorneys?

MR. CARNEY: I think I gave a response to this the other day in terms of the call by some for taking that action. We don't believe that's necessary. This administration takes the leaking of classified and sensitive information very seriously. The President spoke to that himself in the briefing room here just last Friday; made very clear his views on the matter. And as for the investigation that is underway, that's a DOJ operation and I would refer you to them for details.

I am certainly not aware of any such discussions. This is an action taken by the Attorney General and the Department of Justice.

Q Can I follow up on Syria? Did Secretary Clinton go too far in the accusation she made --

MR. CARNEY: Secretary Clinton made clear what we've been saying, which is -- and which I just said -- that the issue of provision of arms is but a part of a broader discussion we're having with the Russians about Assad and his future, and what he's doing to the Syrian people right now.

The fact of the matter is Assad will go down in history as a brutal tyrant. And our argument has been -- to the Russians and others who have supported that regime in the past -- that it is a wrong thing to do to continue that support because of what he has perpetrated in this past year. And we've been very clear about that.

Q She made a very specific allegation about a particular kind of weaponry that could be used in a particularly brutal way, and it obviously has antagonized the Russians. Was that the intention of the administration to get that out there and provoke a response?

MR. CARNEY: Look, I think we've been very clear about -- as I've said a few times now -- about our concern about Syria, about the escalation of violence there, and our position that everyone should take steps to reverse that process and to pressure Assad to cease and desist, and to eventually give up the power that he does have so that the Syrian people can enjoy the transition that they deserve. I think we obviously use diplomatic language appropriately, but we have been pretty blunt about this and that's because the matter is so serious.

Christi.

Q Thank you, Jay. Does the President still believe the economy is pointed in the right direction?

MR. CARNEY: I think the President believes that we have made progress. The President believes that we have made not nearly enough progress. It is an incontrovertible fact that an economy that was shrinking, contracting, at 8.9 percent in the final quarter of 2008, has, for the past I think 11 quarters or something like that, been growing. There's been positive economic growth.

It is a fact that an economy that was shedding jobs at a rate of 750,000-plus per month when President Obama took office, an economy that went through a recession that cost 9 million jobs has been creating jobs now for however many months -- 27 months; 4.3 million is what the statisticians and economists tell us. And that is obviously pointing in a better direction than the direction the economy was headed when the President took office.

We need to continue to grow. We need to continue to create jobs. We need to continue to take the measures necessary -- like the ones I was just describing to Ed -- that would have a direct, immediate impact on economic growth and job creation this year, right now, because we are still not where we need to be.

And then we need to continue to make the investments necessary to ensure that we grow in following years so that America is as strong in the 21st century economically as it was in the 20th -- stronger, even, in the 21st century. That is all what we need to do. And that's

what is embodied in the President's vision for the steps we need to take to build our economy in the future.

But there is no question that we are a long way from where we need to be. The hole was deep, and we are only part way out of it. That's why this debate is so important, because I've expressed my surprise in the past -- having watched a few of these elections in the past and observed them from your perspective -- that in this process, the folks who are contending for office and want to oppose the President have -- very few of them have ever put forward an idea that says, you know what, let's do something new because what was tried by the Republicans from 2001 to 2008 sure didn't work.

Does anybody argue that it worked? And yet, what we've seen proposed is the very same policies and then some. There's nothing -- there's no sort of alternative idea being proposed, unfortunately, by Republicans. And I think that is part of the debate that we'll have in the fall.

Q So what's your take on why the "doing fine" comment took off like it did and provoked the response that it did?

MR. CARNEY: I think we live in an environment --

Q Do you think it's just a bad choice of words? Or --

MR. CARNEY: I think we live in an environment where stuff gets shot around really quickly and reacted to really quickly. I think everyone here -- I think you were here; I can't remember -- but most folks who were in this room understood the context, understood the context within all of the speeches and comments and remarks the President has made about the economy.

And he was making, I think, an objectively obvious point, which is, compared to a situation where so-called public sector workers -- and that sounds very bland and bureaucratic, but we're talking about teachers and firefighters and police officers -- have been laid off in droves, and compared that to a situation where the private sector has created 4.3 million jobs, the public sector is an example of weakness by comparison.

But he certainly does not believe and has made clear in every policy proposal he's put forward and every speech he's given on the subject that we are anywhere -- we are where we need to be in the private sector or in the whole economy, and that's why we need to take action to continue to help the economy grow.

Remember, the proposals that are on the table that the Republicans have yet to pass include extension of the production tax credit for businesses to help them grow and hire. They include proposals to help homeowners refinance, which would inject more money into the economy, into the private sector to help it grow, to help small businesses and large businesses hire and grow.

The President has taken an approach to economic growth and job creation that has been focused principally on the private sector and it will continue to be.

Q And he does make that point a lot.

MR. CARNEY: Remember, I think it's now 18 small business tax cuts that he's signed into law.

Q And almost every time the President speaks about the economy he starts by talking about how terrible things are and how much more needs to be done. But I'm just wondering -- what you're saying today sounds like things you've said before and the things the President has been saying for a long time. I just wonder if you have a sense of why that is not connecting, and why that -- why people don't seem to see that message.

MR. CARNEY: I think people are still hurting. I think the economy has not recovered, and it's not where it needs to be. We are still emerging from a terrible recession that saw the loss of 9 million jobs that, in a short period, as elucidated by the Federal Reserve report, from the fourth quarter of 2007 to the first quarter of 2009, all of it within that period, a 40 percent reduction in median household wealth.

That means average Americans saw their wealth, principally in their homes, just collapse in that period from the fourth quarter of 2007 to the first quarter of 2009. That is a terrible situation. And it I think highlights the kind of economic situation that we saw

ourselves -- we found ourselves in, in 2008, and that this President confronted when he took office in 2009.

And if I may, it elucidates why we cannot sensibly adopt the policies that helped create a situation where median household wealth dropped 40 percent in a little over a year. That was terrible for the American people. So why adopt policies that say, you know what, let's let the financial industry write its own rules again. Let's repeal Wall Street reform. Let's let credit card companies have their way with consumers. Health insurance companies, go for it, take advantage of people again -- because it worked so well in the first decade of this year.

Yes.

Q I am correspondent from the SKY TV of Greece. About the economy, I know your concerns about the European economy. And I have two short questions. The first question is that we know the President -- American President has stressed out the necessity for Europeans to visit -- to design a policy to promote growth, rather than austerity measures. What I want to know is whether the United States, as a major contributor to the IMF, would support the new elected Greek government in their efforts, in the Greek efforts to convince, to persuade Europeans and the IMF to ease the austerity measures and to boost -- to take steps towards growth -- towards boosting growth. This is my first question.

And the second question is, what do you respond to those saying that Greece should sacrifice itself by departing the eurozone in order to rescue the euro currency?

Thank you.

MR. CARNEY: Well, I'll take the second one, first. The President himself addressed this on Friday, as did the members of the G8 in their communiqué coming out of that meeting, which is that they believe that the Greeks should stay in the eurozone; that, as the President said here at this podium on Friday, their circumstances will be worse -- they will be worse off if Greece were to exit the eurozone. That's his view. It's the view of the G8.

On the broader issue that you mentioned in your first question, I think, again, that was reflected in the statements coming out of the G8, the fact that everyone was in agreement that there needs to be a focus on economic growth and job creation in the near term. The President has said that the approach that he believes is right for America is a helpful guide to I think an approach in Europe and elsewhere, which is growth and job creation in the near term with -- while putting measures into place now that will help control debt and control deficits in the medium and long term.

It is important that Europe undertake the kinds of reforms that have been adopted. We have said that all along. It is also important that Europe take action to increase growth and increase job creation, and both are important. And the emphasis I think that was reflected in statements coming out of the G8 reflect the President's views on this balance between growth and jobs on the one hand, and austerity, or so-called austerity, on the other.

Q Thank you.

MR. CARNEY: All right, thank you all very much. Appreciate it.

END

1:45 P.M. EDT