

**Remarks to the Business Council**

*February 13, 2009*

Thank you. Please have a seat. Thank you. Well, thank you all for being here.

Before I begin, I want to say a brief word about the terrible tragedy that took place outside of Buffalo last night. Our thoughts and prayers are with the families and friends who lost loved ones, and as always, our thanks go out to the brave first-responders who arrived immediately to try and save lives and who are still on the scene keeping people safe.

Tragic events such as these remind us of the fragility of life and the value of every single day. One person who understood that well was Beverly Eckert, who was on that flight and who I met with just a few days ago. You see, Beverly lost her husband on 9/11 and became a tireless advocate for those families, whose lives were forever changed on that September day. And in keeping with that passionate commitment, she was on her way to Buffalo to mark what would have been her husband's birthday and launch a scholarship in his memory. So she was an inspiration to me and to so many others, and I pray that her family finds peace and comfort in the hard days ahead.

Welcome to the White House. Every President since Franklin Delano Roosevelt has sought the advice of the Business Council. Every President since Lyndon Johnson has sought your audience. And while this is a partnership that is important during periods of relative peace and prosperity, it is an essential partnership during tough economic times.

I don't need to tell you that we are in tough economic times. The challenges we face today we have not seen in a very long time. Each of you and every American sees them in very specific ways. We've lost 3.6 million jobs since this recession began, nearly 600,000 just last month. Many of your businesses are under tremendous pressure, with revenues falling and credit drying up. You're feeling directly or indirectly the reverberations of a financial crisis, which has upended the economy.

But I'm not here to repeat a litany of our challenges. We know what they are, we know they are vast, and we know that they are varied. Instead, I'm here to enlist your help, because we have a once-in-a-generation chance to act boldly and turn adversity into opportunity and to use this crisis as a chance to transform our economy for the 21st century.

That's the driving purpose of the recovery and reinvestment plan that I've put before Congress. It's a plan that will ignite spending by businesses and consumers, make the investments necessary for lasting economic growth and prosperity, and save or create more than 3.5 million jobs over the next 2 years. Ninety percent of those jobs are in the private sector.

And we've had a spirited debate about this plan over the last few weeks. Not everybody has shared the same view of how we should move forward, and at times, our discussions have been contentious. But that's a good thing, from my perspective. Diverse viewpoints are the lifeblood of a democracy, and debating these viewpoints is how we learn from each other's perspective and refine our approaches.

But as we meet, Congress is now poised to act. It's passed the House; it's passed the Senate. We expect a vote on the final version today. And one of the reasons we've come so far

is because so many of you have recognized the urgency and necessity of taking action. This plan has won the support of groups such as the Chamber of Commerce and the National Association of Manufacturers, but also the AFL–CIO.

And the goal at the heart of this plan is to create jobs, not just any jobs, but jobs doing the work America needs done: repairing our infrastructure, modernizing our schools and our hospitals, promoting the clean, alternative energy sources that will help us finally declare our independence from foreign oil. It's a plan that will put people to work building wind turbines and solar panels and fuel-efficient cars.

We'll upgrade our schools, creating 21st-century classrooms and libraries and labs for millions of children across America. We'll computerize our health care system, at last, to save billions of dollars and countless lives as we reduce medical errors. We'll lay down broadband Internet lines to connect rural schools and small businesses, so they can compete with their counterparts anywhere in the world. And we will rebuild our crumbling roads and bridges and repair our dangerously deficient dams and levees, so we don't face another Katrina.

In addition to saving and creating jobs, we'll also ensure that folks who've lost jobs through no fault of their own can receive greater unemployment benefits and continue their health care coverage. It'll provide badly needed middle class tax relief, putting money in the pockets of workers and their families at a time when many of them are experiencing greater distress. It'll also provide sensible tax relief to businesses that are trying to make payroll and create jobs. And our focus is not only on large businesses, but also small businesses that are probably feeling the credit crunch most acutely.

Now, passing this plan is a critical step, but as important as it is, it's only the beginning of what I think all of you understand is going to be a long and difficult process of turning our economy around. To truly address this crisis, we will also need to address the crisis in our financial sector to get credit flowing again to families and businesses. And we need to confront the crisis in the housing sector that's been one of the sources of our economic challenges. I'll be discussing that extensively soon. We're going to need comprehensive financial reform in the way government relates to the financial markets in order to deal with the complex challenges of the 21st century, both as a way to restore trust and also ensure that a crisis like this can never happen again.

And finally, we have to approach our budget in a responsible way. It's my strong belief that we're going to have to invest in the short term to get our economy moving again, and that we would be foolish to ignore our current perils. But I also think that it's important for us to think in the midterm and long term. And over that midterm and long term, we're going to have to have fiscal discipline. We are not going to be able to perpetually finance the levels of debt that the Federal Government are incurring and carrying.

And that means investing in priorities like energy and health care and education that will grow our economy again. But it also means eliminating those programs that are wasteful and duplicative and that we simply cannot afford. We have to once again live within our means. We're going to have to make some tough decisions that many of you are already making in your companies but the Federal Government has not made with respect to our operations.

It will take all of these steps to not only lead to an economic recovery, but to lead to a long-term path to economic prosperity. And this work will not be easy. Our recovery will likely be measured in years and not months. All of us—government, business, labor, and citizens—will have responsibilities to meet. And I will be looking to all of you for your ideas and

innovations, for your help not only crafting the policies of the 21st century, but crafting a Government for the 21st century that can be a partner with you. Your best practices should be our best practices.

And as we consider the work ahead, we'd all be well served to reflect on the significance of the partnership that we see here today: how it was forged and why it's been so fruitful.

Now, back in the spring of 1933, in the early days of a new administration, President Roosevelt's Commerce Secretary gathered in Washington the leaders of some of the Nation's largest corporations, many of which continue to be represented in this room. These executives, hailing from General Electric and General Motors and AT&T and DuPont and others, formed an advisory panel to assist in the crafting of New Deal policies that in the coming years would transform the American economy amidst brutal and unyielding Depression. And the work of these volunteers would inform the inception and implementation of the Securities and Exchange Act, the Banking Act, the Social Security Act, and other policies that have served us ever since.

That's how the Business Council was born. It was at a moment when economic turmoil threatened the foundations on which our society was painstakingly built, at a moment when other nations were giving up, as President Roosevelt said, "[selling] their heritage of freedom for the illusion of a living."

That's not what we did. We adapted. We changed. We boldly defended our system of free enterprise even as we enacted policies to transform the ways that it would function. We did not give in to ideologies that dismissed or derided the role of government, nor those that denied the role of the marketplace.

And so even as our President was leading unprecedented public interventions into the private sector, he did so in concert with the private sector's leaders. Even as Government built new regulatory structures and weaved a social safety net, these efforts were designed not to confine private industry, but to allow it once again to succeed while ensuring that success was broadly shared.

And President Roosevelt understood the new role of Government in this new world, that while extraordinary actions on its part might be the source of recovery, no action on the part of Government, no matter how extraordinary, would alone be a source of our prosperity.

Now, conversely, these corporate citizens understood their new role as well: that we all had responsibilities to fulfill; that our survival depended on how well we worked together; that in a more interdependent economy, our fates—and were—were and are more interconnected.

Our growth, our success as a nation, depended on what we did together. And so the Government could lay the groundwork for an economy in which innovation is prized and hard work rewarded, in which rules are clear and clearly enforced. And the rest would be up to people like you and the people who work for you to create the incredible products and services that today we enjoy.

That's how we've led the global economy. That's how we've ushered in massive gains in wealth not just for the few but for the many. That is how we've been—and will continue to be—a nation that draws on the talents of all our people, a place where generation after generation of bold thinkers and bright minds, innovators and inventors, have taken the chance to invest in an idea, to build a new product, to test a new theory, to do their small part to change our world. That's what's attracted some of the best talent around the world to our

shores. That's our promise, and that's the promise that must always be at the heart of our partnership.

So I hope this is the beginning of many conversations. Many of you I know. Many of you I've had long conversations with in the past. My door will always be open to you. And I'm absolutely confident that if we're smart and if we are bold, if we work together, if we're willing to cast aside some of the theories that have already failed us and we remain open to new approaches and new ideas, and we think about the problems of our economy the way you think about your businesses—in practical, hard-headed, clear-eyed terms unclouded by dogmas—then I'm absolutely confident that we can lead our Nation through this transformative moment and come out stronger and more prosperous than ever before.

I thank you for your leadership. I thank you for being here. And I look forward to having a series of conversations with all of you in the near future. Thank you very much.

NOTE: The President spoke at 10:35 a.m. in the East Room at the White House.

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