

Administration of Barack H. Obama, 2009

Remarks Following a Meeting With President's Economic Recovery Advisory Board Chairman Paul A. Volcker and an Exchange With Reporters

March 13, 2009

The President. Well, listen, I just had a meeting with Paul Volcker and our business advisory board to discuss a wide range of issues, but with some particular focus on the financial markets. And the thing I want to emphasize is that we are spending every day working through how to get credit flowing again so that businesses, large and small, as well as consumers, are able to obtain credit, and we can get this economy moving again.

As I've said before, that's one of the legs of the stool in rebuilding the economy; the first one, a stimulus package that is going to be hitting the ground and putting people back to work. The second part of this is making sure that not just the banking system, but also the credit system as a whole, is functioning and that we fix some of the plumbing there. We're going to have to do some long-term financial regulatory work, and Mr. Volcker has a range of ideas on that. But that's something that we have to do very carefully. How do we eliminate systemic risks so that this kind of problem never happens again? And finally, we've got to do some coordination with other countries in order to assure that what we do here in the United States corresponds with strong efforts overseas.

The last point that I'd make—and I made this point to the Business Roundtable yesterday—it is very important, even as we're focused on the financial system and the credit markets, that we are laying the foundation for what I'm calling a post-bubble economic growth plan. The days when we are going to be able to grow this economy just on an overheated housing market or people spending—maxing out on their credit cards, those days are over. What we need to do is go back to fundamentals, and that means driving our health care costs down. It means improving our education system so our children are prepared and we're innovating in science and technology. And it means that we're making this transition to the clean energy economy. Those are the priorities reflected in our budget, and that is part and parcel with the short-term steps that we're taking to make sure that the economy gets back on its feet.

So I am very grateful to Paul for his ongoing advice and counsel to the other members of the business community who participated, and we're going to be doing a lot of outreach and working with them consistently in the weeks and months to come.

Paul, anything to add?

Chairman Volcker. Well, let me just say, you all know this is a very complicated matter, just in the financial system, and you've been talking to us, talking to others, and concentrating on that. And I'm sure some program will be developed.

But there are big economic problems behind the financial system too. They're going to take longer to work out. And you've got those problems while we're working on this immediate crisis, continuing crisis in the financial system.

The President. Thanks. Okay, guys, thank you. Have a great weekend.

National Economy

Q. Mr. President, Mr. Summers says Americans have an excess of fear. Can you elaborate on that?

The President. Well, I think, as I said to the Business Roundtable, our capacity is undiminished. We have the most productive workers on Earth. We've got some of the most innovative businesses on Earth. We've got the greatest universities, incredible infrastructure, and we've got the most dynamic free market economy on Earth.

We've got some significant problems that have been built up over a long period of time. There was a lot of over-leveraging that was taking place in the financial system. But the bottom line is, is that those businesses that were creating outstanding products and services 2 years ago, they are still creating outstanding products and services. And those workers who were getting up every day and doing outstanding work, they've still got an incredible desire to work hard and grow this economy and do right by their families.

So what we need to do is to make sure that we're putting in the pillars economically to deal with the short-term emergency, to stabilize the economy, and to put in the foundation for long-term economic growth. That's a overarching package that, I think, the American people are hungry for. They feel confident about America. The business executives I met with yesterday are confident about our ability to grow long term. We've got to get through this difficult period.

And, look, there are a lot of individual families who are increase—experiencing incredible pain and hardship right now. If you've been laid off your job, if you've lost your home, then, you know, right now is very tough. But we're providing help along the way. That's why we put a housing program in place; that's why we're going to be announcing additional steps to help small businesses.

But if we are keeping focused on all the fundamentally sound aspects of our economy, all the outstanding companies, workers, all the innovation and dynamism in this economy, then we're going to get through this. And I'm very confident about that.

All right? Thank you, guys. Appreciate it. Have a good weekend.

NOTE: The President spoke at 1:31 p.m. in the Oval Office at the White House. A reporter referred to Lawrence H. Summers, Director, National Economic Council.

Categories: Addresses and Remarks : President's Economic Recovery Advisory Board
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