

Administration of Barack H. Obama, 2010

Remarks on Signing an Executive Order Establishing the National Commission on Fiscal Responsibility and Reform and an Exchange With Reporters
February 18, 2010

The President. Hello, everybody. All right. Good morning, everybody. When I took office, America faced three closely linked challenges. One was a financial crisis brought on by reckless speculation that threatened to choke off all lending. And this helped to spark the deepest recession since the Great Depression, from which we're still recovering. That recession, in turn, helped to aggravate an already severe fiscal crisis brought on by years of bad habits in Washington.

Now, the economic crisis required the Government to make immediate emergency investments that added to our accumulated debt, critical investments that have helped to break the back of the recession and lay the groundwork for growth and job creation. But now, with so many Americans still out of work, the task of recovery is far from complete. So in the short term, we're going to be taking steps to encourage business to create jobs. That will continue to be my top priority. Still there's no doubt that we're going to have to also address the long-term quandary of a Government that routinely and extravagantly spends more than it takes in. When I walked into the door of the White House, our Government was spending about 25 percent of GDP, but taking in only about 16 percent of GDP. Without action, the accumulated weight of that structural deficit, of ever-increasing debt, will hobble our economy, it will cloud our future, and it will saddle every child in America with an intolerable burden.

Now, this isn't news. Since the budget surpluses at the end of the 1990s, Federal debt has exploded. The trajectory is clear, and it is disturbing. But the politics of dealing with chronic deficits is fraught with hard choices, and therefore, it's treacherous to officeholders here in Washington. As a consequence, nobody's been too eager to deal with it.

That's where these two gentlemen come in. Alan Simpson and Erskine Bowles are taking on the impossible: They're going to try to restore reason to the fiscal debate and come up with answers as Cochairs of the new National Commission on Fiscal Responsibility and Reform. I'm asking them to produce clear recommendations on how to cover the costs of all Federal programs by 2015 and to meaningfully improve our long-term fiscal picture. I've every confidence that they'll do that because nobody's better qualified than these two.

Now, Alan Simpson is a flinty, Wyoming truthteller. [*Laughter*] If you look in the dictionary, it says "flinty," and then it's got Simpson's picture. [*Laughter*] Through nearly two decades in the United States Senate, he earned a reputation for putting common sense and the people's welfare ahead of petty politics. As the number-two Republican in the Senate, he made the tough choices necessary to close deficits and he played an important role in bipartisan deficit reduction agreements.

Erskine Bowles understands the importance of managing money responsibly in the public sector, where he ran the Small Business Administration and served as President Clinton's Chief of Staff. In that capacity, he brokered the 1997 budget agreement with Republicans that helped produce the first balanced budget in nearly 30 years.

One's a good Republican, the other a good Democrat, but above all, both are patriotic Americans who are answering their country's call to free our future from the stranglehold of debt.

The Commission they'll lead was structured in such a way as to rise above partisanship. There's going to be 18 members. In addition to the two Cochairs, four others will be appointed by me; six will be appointed by Republican leaders, six by Democratic leaders. Their

recommendations will require the approval of 14 of the Commission's 18 members, and that ensures that any recommendation coming out of this effort and sent forward to Congress has to be bipartisan in nature.

This Commission is patterned on a bill that I supported for a binding commission that was proposed by Democratic Senator Kent Conrad and Republican Senator Judd Gregg. Their proposal failed recently in the Senate. But I hope congressional leaders in both parties can step away from the partisan bickering and join this effort to serve the national interest.

Now, as important as this Commission is, our fiscal challenge is too great to be solved with any one step alone, and we can't wait to act. And that's why last week, I signed into law the PAYGO bill—says very simply that the United States of America should pay as we go and live within our means again, just like responsible families and businesses do. This law is what helped get deficits under control in the 1990s and produced surpluses by the end of the decade. It was suspended in the last decade, and during that period, we saw deficits explode again. By reinstituting it, we're taking an important step towards addressing the deficit problem in this decade and in decades to come.

That's also why, after taking steps to cut taxes and increase access to credit for small businesses to jump-start job creation this year, I've called for a 3-year freeze on discretionary spending starting next year. This freeze won't affect Medicare, Medicaid, or Social Security spending, and it won't affect national security spending, including veterans' benefits, but all other discretionary spending will be subject to this freeze.

These are tough times, and we can't keep spending like they're not. And that's why we're seeking to reform our health insurance system, because if we don't, soaring health care costs will eventually become the single largest driver of our Federal deficits. Reform legislation in the House and the Senate would bring down deficits, and I'm looking forward to meeting with members of both parties and both Chambers next week to try to get this done.

And that's also why this year, we're proposing a responsible budget that cuts what we don't need to pay for what we do. We've proposed budget reductions and terminations that would yield about \$20 billion in savings. We're ending loopholes and tax giveaways for oil and gas companies and for the wealthiest 2 percent of Americans. So taken together, these and other steps would provide more than \$1 trillion in deficit reduction over the coming decade. That's more savings than any administration's budget in the past 10 years.

I know the issue of deficits has stirred debate. And there's some on the left who believe that this issue can be deferred. There are some on the right who won't enter into serious discussions about deficits without preconditions. But those who preach fiscal discipline have to be willing to take the hard steps necessary to achieve it. And those who believe Government has a responsibility to meet these urgent challenges have a great stake in bringing our deficits under control, because if we don't, we won't be able to meet our most basic obligations to one another.

So America's fiscal problems won't be solved overnight. They've been growing for years. They're going to take time to wind down. But with the Commission that I'm establishing today and the other steps we're pursuing, I believe we are finally putting America on the path towards fiscal reform and fiscal responsibility.

And I want to again thank Alan and Erskine for taking on what is a difficult and, perhaps, thankless task. I'm grateful to them for their willingness to sacrifice their time and their energy in this cause. I know that they're going to take up their work with a sense of integrity and a sense of commitment that America's people deserve and America's future demands.

And I think part of the reason they're going to be effective is, although one's a strong Democrat and one's a strong Republican, these are examples of people who put country first. And they know how to disagree without being disagreeable, and there's a sense of civility and a sense that there are moments where you set politics aside to do what's right.

That's the kind of spirit that we need. And I am confident that the product that they put forward is going to be honest, it's going to be clear, it's going to give a path to both parties in terms of how we have to address these challenges.

All right. Thank you very much. Come on, let's sign this thing.

[At this point, the President signed the Executive order.]

The President. There you go.

Commission's Scope

Q. Sir, is everything on the table for this?

The President. Everything's on the table. That's how this thing's going to work.

Q. Where's "Erskine" in the dictionary? *[Laughter]*

The President. He's under "smart." *[Laughter]*

NOTE: The President spoke at 10:20 a.m. in the Diplomatic Reception Room at the White House.

Categories: Addresses and Remarks : National Commission on Fiscal Responsibility and Reform, remarks on signing an Executive order establishing; Interviews With the News Media : Exchanges with reporters :: White House.

Locations: Washington, DC.

Names: Bowles, Erskine B.; Clinton, William J.; Conrad, Kent; Gregg, Judd A.; Simpson, Alan K.

Subjects: Armed Forces, U.S. : Funding; Budget, Federal : Congressional spending restraint; Budget, Federal : Deficit; Budget, Federal : Deficit reduction commission, proposed :: Presidential establishment; Budget, Federal : Deficit reduction commission, proposed :: Congressional establishment; Budget, Federal : Fiscal year 2011 budget; Budget, Federal : Government programs, spending reductions; Budget, Federal : National debt; Budget, Federal : Statutory Pay-As-You-Go Act of 2009; Business and industry : Small-business hiring incentives, proposed; Congress : Bipartisanship; Economy, national : American Recovery and Reinvestment Act of 2009; Economy, national : Market volatility; Economy, national : Recession, effects; Employment and unemployment : Job creation and growth; Fiscal Responsibility and Reform, National Commission on; Health and medical care : Cost control reforms; Health and medical care : Medicare and Medicaid; Social Security and retirement : Social Security program; Taxation : Tax Code :: Reform; Taxation : Tax relief; Veterans Affairs, Department of : Funding.

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