

Remarks on the Federal Budget and an Exchange With Reporters

April 5, 2011

The President. Good afternoon. As many of you know, this morning I had a meeting with Speaker Boehner, Leader Reid, as well as the two Appropriations chairs, Inouye and Rogers, to discuss the situation with last year's budget, and I wanted to give you and, more importantly, the American people an update on where we are.

From the outset, my goal has been to significantly cut our domestic spending, but at the same time, make sure we're making key investments in things like education, infrastructure, innovation—the things that are going to help us win the future.

And over the course of the last several months, we have identified areas where we can make substantial cuts. In fact, what we've been able to do is to present to the House Republicans a budget framework that would cut the same amount of spending as Speaker Boehner and Chairman Rogers originally proposed—their original proposal for how much would be cut.

And several weeks ago, there were discussions in—between the White House and Speaker Boehner's office in which we said, let's start negotiating off of that number, \$73 billion. We are now closer than we have ever been to getting an agreement. There's no reason why we should not get an agreement. As I said before, we have now matched the number that the Speaker originally sought.

The only question is whether politics or ideology are going to get in the way of preventing a Government shutdown. Now, what does this potentially mean for the American people? At a time when the economy is just beginning to grow, where we're just starting to see a pickup in employment, the last thing we need is a disruption that's caused by a Government shutdown. Not to mention all the people who depend on Government services: Whether you're a veteran or you're somebody who's trying to get a passport or you're planning to visit one of the national monuments or you're a business leader who's trying to get a small-business loan, you don't want delays, you don't want disruptions just because of usual politics in Washington.

So what I said to the Speaker today and what I said to Leader Reid and what I've said to the two Appropriations chairs is that myself, Joe Biden, my team, we are prepared to meet for as long as possible to get this resolved.

My understanding is that there's going to be a meeting between Speaker Boehner and Harry Reid this afternoon at 4:00. The Speaker apparently didn't want our team involved in that discussion. That's fine. If they can sort it out, then we've got more than enough to do. If they can't sort it out, then I want them back here tomorrow. But it would be inexcusable for us to not be able to take care of last year's business that—keep in mind, we're dealing with a budget that could have gotten done 3 months ago, could have gotten done 2 months ago, could have gotten done last month—when we are this close simply because of politics.

And we are prepared to put whatever resources are required in terms of time and energy to get this done. But that's what the American people expect. They don't like these games, and we don't have time for them. There are some things that we can't control. We can't control earthquakes, we can't control tsunamis, we can't control uprisings on the other side of the

world. What we can control is our capacity to have a reasoned, fair conversation between the parties and get the business of the American people done. And that's what I expect.

So I—again, I want to reiterate, my understanding is the Speaker and Leader Reid are going to have a meeting at 4:00. If that issue does not get resolved and we don't start seeing progress, I want a meeting again tomorrow here at the White House. I will invite the same folks that we invited today. And if that doesn't work, we'll invite them again the day after that. And I will have my entire team available to work through the details of getting a deal done.

But right now there's no reason why we should not get this done. And we've got more than enough to do than to be spending our time going back and forth, quibbling around the edges on something this important to the American people.

All right, with that, I'm going to take a couple questions.

Ben [Ben Feller, Associated Press].

2011 Federal Budget/Bipartisan Budget Debate

Q. Thank you, Mr. President. If it came down to it, would you approve of a short-term spending bill to avoid a Government shutdown? And more broadly, as the American people are watching this, do you think that this is a test of your leadership? Do you think the American people are expecting you to make sure that this deal happens?

The President. Let me take each question separately.

On the issue of a short-term extension, we've already done that twice. We did it once for 2 weeks, then we did another one for 3 weeks. That is not a way to run a government. I can't have our agencies making plans based on 2-week budgets. I can't have the Defense Department, I can't have the State Department, I can't have our various agencies on food safety and making sure our water's clean and making sure that our airports are functioning, I can't have them making decisions based on 2-week-at-a-time budgets.

So I have been very clear that the last time we had an extension, it was to give the parties time to go ahead and get something done. We are now at the point where there is no excuse to extend this further.

If over the next 24 to 48 hours a deal is done and we just can't get the paperwork through Congress quick enough and they want to do a clean extension for 2 or 3 days in order to go ahead and complete a deal, then that's something that we could support. But what we're not going to do is to once again put off something that should have gotten done several months ago.

Now, with respect to the second question, I think what the American people expect from me is the same thing that they expect from every Member of Congress, and that is that we're looking out for the interests of the American people and not trying to score political points.

I think what they're looking from me is the same thing that they're looking from Speaker Boehner and Harry Reid and everybody else, and that is, is that we act like grownups and, when we are in negotiations like this, that everybody gives a little bit, compromises a little bit in order to do the people's business.

And I just want to set the context for this now. Again, now, I'm going to repeat: Speaker Boehner, Chairman Rogers, the Republican Appropriations chairman, their original budget proposed \$73 billion in cuts. We have now agreed to \$73 billion worth of cuts. What they are

now saying is, well, we're not sure that every single one of the cuts that you've made are ones that we agree to; we'd rather have these cuts rather than that cut. That's not the basis for shutting down the Government. We should be able to come up with a compromise in which nobody gets 100 percent of what they want, but the American people get the peace of mind in knowing that folks here in Washington are actually thinking about them, because they're going through a whole lot of struggles right now.

They're worrying about gas prices, and that's what they want us worrying about. They're worrying about jobs, and that's what we should be focused on. They're worrying about what—everything happening in the Middle East, what does that mean for them. And that's certainly what I'm spending my time worrying about. And I shouldn't have to oversee a process in which Congress deals with last year's budget, where we only have 6 months left, especially when both parties have agreed that we need to make substantial cuts and we're more or less at the same number.

All right?

Julianna [Julianna Goldman, Bloomberg News].

2012 Federal Budget

Q. Thank you, Mr. President. Who should the American people blame if there is a Government shutdown? And also, I was wondering if you could respond to the budget plan that the House Republicans unveiled today?

The President. I don't think the American people are interested in blaming somebody. They want people to fix problems and offer solutions. They're not interested in finger-pointing, and neither am I. What I want to do is get the business of the American people done.

Now, we'll have time to have a long discussion about next year's budget, as well as the long-term debt and deficit issues, where we're going to have some very tough negotiations. And there are going to be, I think, very sharply contrasting visions in terms of where we should move the country. That's a legitimate debate to have. By the way, part of the reason that debate's going to be important is because that's where 88 percent of the budget is. What we're spending weeks and weeks and weeks arguing about is actually only 12 percent of the budget and is not going to significantly dent the deficit or the debt.

So I'm looking forward to having that conversation. But right now we've got some business in front of us that needs to be done, and that is, making sure that we are cutting spending in a significant way, but we're doing it with a scalpel instead of a machete to make sure that we can still make investments in education, we can still make investments in infrastructure, we can still make investments that put the American people back to work and build our economy for the long term.

Jeff [Jeff Mason, Reuters].

2011 Federal Budget/Bipartisan Budget Debate

Q. Mr. President, thank you. What else does the White House have to offer to make sure that a deal happens by Friday? And separately, could you tell us a little bit about your meeting with Mr. Peres?

The President. Well, look, we've got—we are happy to listen to any additional reasonable proposals. But I want to repeat what I just said: We are now at the figure that was Speaker Boehner's original proposal. Right? Now, Speaker Boehner originally called for \$73 billion

worth of cuts. Members of his caucus insisted on making it a hundred billion. What we've said is, we're willing to go to 73. Composition of those cuts, where they come from, those are all appropriate subjects of negotiation.

But by any standard, these would be reasonable cuts. In fact, if we made these cuts, they'd be, in absolute terms, the largest cuts in domestic discretionary spending in history. And in relative terms, they would be the largest cuts as a percentage of GDP since 1982. So I don't think anybody's suggesting, somehow, that we haven't been serious about this process.

As I said, there can be some negotiations about composition. What we can't be doing is using last year's budget process to have arguments about abortion, to have arguments about the Environmental Protection Agency, to try to use this budget negotiation as a vehicle for every ideological or political difference between the two parties. That's what the legislature is for, is to have those arguments, but not stuff it all into one budget bill.

And look, I think the American people recognize that we're in some pretty unsettled times right now. Certainly, businesses recognize that. Families recognize it. We don't have time for games. We don't have time for trying to score political points or maneuvering or positioning. Not on this. As I said, when it comes to long-term debt and deficit, there's going to be a real debate about how do we make sure that we have a social safety net for the American people; when folks have a tough time, how do we make sure that we're investing in the future, and how do we pay for it. And that is a legitimate debate to have.

But right now what we're talking about is 6 months remaining on the 2011 budget. We have already hit a figure that by any standard would be historic in terms of cuts, and what we can't do is have a "my way or the highway" approach to this problem. We can't have a "my way or the highway" approach to this problem, because if we start applying that approach, where I've got to get a hundred and ten percent of everything I want or else I'm going to shut down the Government, we're not going to get anything done this year. And the American people are going to be the ones that suffer.

Most of the Members of Congress, they've got enough of a cushion that they can probably put up with a Government shutdown. But there are a lot of people out there who can't.

If you're a small business right now, and you're counting on a small-business loan that may make a difference as to whether or not you can keep that business going, and you find out that you can't process it for 3 or 4 weeks—or 5 weeks or 6 weeks—because of some bickering in Washington, what does that say about our priorities? It doesn't make sense.

I'm going to take one last question.

Q. He had a question about Shimon Peres.

The President. Oh, I'm sorry.

Meeting With President Shimon Peres of Israel/Middle East/Egypt

Q. I asked about Peres as well, if you had anything about your meeting today.

The President. President Peres is, I think, an extraordinary statesman. We had a extensive discussion about what's happened in the Middle East. I think he and I both share a belief that this is both a challenge and an opportunity, that with the winds of change blowing through the Arab world, it's more urgent than ever that we try to seize the opportunity to create a peaceful solution between the Palestinians and the Israelis, and he had some very interesting ideas around those issues. He also recognizes the fact that in a country like Egypt, not only do we

need to be nurturing democracy, but we also have to make sure that economic opportunity is growing there. And so we explored some ideas about how we can provide some help and make sure that young people there see a brighter future.

And that's something that Secretary Clinton, during her trip in Egypt, spoke extensively about and will probably be rolling out some additional plans on that front.

Last question.

2011 Federal Budget/Bipartisan Budget Debate

Q. Mr. President, Speaker Boehner says it's not just the specifics of what you guys want to cut and not cut, but that your cuts, the ones you have put on the table, are "smoke and mirrors." How do you answer that?

The President. Well, here's—I'll let Jay or Jack Lew or others get into all the details, but here's sort of a thumbnail of what's happened.

The vast majority of the cuts that have been put forward, just as was true in the Republican budget, are direct cuts out of domestic discretionary spending. There are some cuts that are—that we've proposed that have to do with mandatory spending. These are real cuts—for example, Pell grants. What we've said is, instead of being able to finance year-round Pell grants so that you can get a Pell grant for summer school as well, we're going to have to cut that out. It's a little too expensive. And we want to make sure that we preserve the levels for those young people or not-so-young people who are going to school full time during the year.

And the way they are categorized means that those are called mandatory spending cuts, as opposed to discretionary spending cuts. But they're still cuts. They're still reducing the size of Government. They're still getting rid of those things that we don't need in order to pay for the things that we do need.

And I think that if you ask the budget analysts out there, independent budget analysts, including the CBO, about the composition of what we've proposed versus what was in House bill—the House bill that passed a while back, H.R. 1, this is consistent with those basic principles.

So this notion that somehow we're offering smoke and mirrors, try telling that to the Democrats out there, because part of what we've done is, we've been willing to cut programs that we care deeply about, that are really important, but we recognize that given the fiscal situation that we're in, everybody's got to make some sacrifices, everybody's got to take a haircut. And we've been willing to do that.

But what we're not willing to do is to go out there and say we're going to cut another 60,000 head slot starts—Head Start slots. We're not going to be willing to go out there and say that we're going to cut medical research. We're not going to cut those things that we think are absolutely vital to the growth of the American economy and putting people back to work.

And that means we've got to make some choices. And that is not just true for us, that's true for the Republicans as well. Nobody gets a hundred percent of what they want. And we have more than met the Republicans halfway at this point.

Okay? Thank you very much, everybody.

NOTE: The President spoke at 2:02 p.m. in the James S. Brady Press Briefing Room at the White House. In his remarks, he referred to White House Press Secretary James "Jay" Carney.

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