

responsibility this year in this budget, this is just the beginning. In the coming years, we'll be forced to make more tough choices and do much more to address our long-term challenges, from the rising cost of health care that Peter described, which is the single most pressing fiscal challenge we face by far, to the long-term solvency of Social Security.

In the end, however, if we want to rebuild our economy and restore discipline and honesty to our budget, we will need to change the way we do business here in Washington. We're not going to be able to fall back into the same old habits and make the same inexcusable mistakes: the repeated failure to act as our economy spiraled deeper into crisis; the casual dishonesty of hiding irresponsible spending with clever accounting tricks; the costly overruns, the fraud and abuse, the endless excuses. This is exactly what the American people rejected when they went to the polls.

They sent us here to usher in a new era of responsibility in Washington, to start living within our means again and being straight with them about where their tax dollars are going, and empowering them with the information they need to hold all of us, their representatives, accountable.

So that's why I have called this summit today and why I have invited leaders from both sides of the aisle, because we all have a role to play in this work. I believe it is time for a frank conversation about the fiscal challenges we face. They're challenges that concern every single

one of us, no matter where we are on this political spectrum.

So today I want to—I hope that all of you will start talking with each other and exchanging ideas. I want you to question each other, challenge each other, question me and my team, challenge us, and work together not just to identify problems, but to identify solutions.

And that's the purpose of the breakout sessions that are starting right now. I know that each of you bring a wealth of experience and expertise on a broad range of topics. I appreciate your willingness to participate in these sessions. I expect that this process will be engaging and productive, and I look forward to hearing the results when you report back later this afternoon.

So thank you very much, all of you, for participating.

NOTE: The President spoke at 1:03 p.m. in the East Room at the White House. In his remarks, he referred to Mark Zandi, chief economist and cofounder, Moody's Economy.com; Robert Greenstein, founder and executive director, Center on Budget and Policy Priorities; Peter R. Orszag, Director, Office of Management and Budget; Speaker of the House of Representatives Nancy Pelosi; Sens. Harry Reid, Richard J. Durbin, Addison M. "Mitch" McConnell; and Rep. John A. Boehner. The transcript released by the Office of the Press Secretary also included the remarks of Vice President Joe Biden.

## Remarks and a Discussion at the Closing Session of the Fiscal Responsibility Summit

February 23, 2009

*The President.* Thank you everybody. Thank you. Please have a seat. Well, this says something—I don't know what—about all of you, that I hear you really enjoyed this fiscal responsibility summit. [Laughter] I mean, I—it's a sign of a—something. [Laughter]

*Audience member.* Illness.

*The President.* Illness, right. I understand you guys had great breakout sessions, and my advisers just filled me in on some of the issues

that came up. I want to just provide a few opening remarks, and then I'm—we'll just open it up for questions and comments.

The idea here was to bring everybody together, because it's been a long time since we had this conversation. And over the last 8 years, I think we've seen a continued deterioration in the Government's balance sheets.

My sense is that despite partisan differences, despite regional differences, and different

priorities, everybody is concerned about the legacy we're leaving to our children. And the hope was—is that if we had a forum like this to start talking about these issues that it would turn out that there are real opportunities for progress—there are going to be some areas where we can't make progress—but that we have more in common than we expect. And I appreciate that while we may have different opinions, there's a renewed willingness to put some concrete ideas on the table, even on those issues that are politically tough, and that's real progress.

A couple of takeaways that my staff indicated to me. There was a healthy debate on Social Security, but also a healthy consensus among some participants, including Congressmen Boehner and Hoyer as well as Senator Graham and Senator Durbin, that this was a moment to work in a bipartisan way to make progress on ensuring Americans' retirement security. And I think one of the things we want to do is to figure out how do we capture that momentum.

Over the longer run, putting America on a sustainable fiscal course will require addressing health care. That seemed to be an issue that there was a lot of consensus around. Many of you said what I believe, that the biggest source of our deficits is the rising cost of health care. It's a challenge that impacts businesses, workers, and families alike. And voices as varied as Senator Alexander, Douglas Holtz-Eakin to Senator Baucus and Senator Dodd and Representative Waxman all agreed to try to tackle health care this year, which I think that offers extraordinary promise, although peril as well.

The tax reform discussion underscored clear agreement that the tax process has to be simplified for all Americans. The task force on the budget process yielded some unanimous agreement that the existing process wasn't working. The question is whether we'll have the commitment and discipline to do what we know needs to be done and whether we need to create some new mechanisms to deal with these challenges.

Now, I want to make sure that the conversation doesn't end when we go home today. We've got a lot of hard choices to make. We

need to build off this afternoon's conversation and work together to forge a consensus.

So one of the things that I'm hoping to do is that my team, each of whom were taking copious notes during the course of these respective breakout sessions, will issue a report or a summary of the conversation. It will be distributed to each of the participants in those respective discussions. We will then ask for concrete ideas, either about substance or process, and we will ask that you get those back so that we can then issue a final report coming out of this conversation in 30 days.

And we're—I think somebody just dubbed this the "fiscal sustainability project," so that's as good of a name as any. And the idea then is, is that there will be a constant loop between the White House and all of you about how we should move forward on this, and hopefully this will start breaking down into some concrete takeaways and tasks. Some of the recommendations that have been made are already reflected in the budget that we're proposing. Some new ideas may have arisen that we did not think of and that can be incorporated as the budget process moves forward in Congress.

And so we are very much looking forward to hearing from your ideas, both about process and about substance. And then we will in 30 days time be able to come out with a series of recommendations. In some cases there may be some things that we can do by Executive order that don't require legislation, but there seems to be some consensus—are smart things to do. In other cases, it's going to require a legislative—some legislative decisions, and we're going to collaborate closely with the relevant chairs and committees that have jurisdiction.

So with that, let me just stop. And what I want to do is just get some comments. A lot of you have been working hard on this, but I'm going to use my Presidential prerogative and call on a couple of people first, and then if other people have comments that they want to offer, please raise your hands.

And I'm going to start with John McCain because—he and I had some good debates about these issues. [Laughter] But—and I mean what I say here, I think John has also

been extraordinarily consistent and sincere about these issues, and I want to see if you—John, you’ve got some thoughts about where we need to go and some priority areas. I know you were in procurement, for example, which is an area I know we would like to work on together with you.

#### *Defense Department*

*Senator John McCain.* Well, thank you, Mr. President. And thank you for doing this; I think it’s very important. And the particular breakout session that we had our—Secretary of Homeland Security was our leader. And so we got—I think it was a very fruitful discussion.

Just one area that I wanted to mention that I think consumed a lot of our conversation on procurement was the issue of cost overruns in the Defense Department. We all know how large the defense budget is. We all know that the cost overruns—your helicopter is now going to cost as much as Air Force One. I don’t think that there’s any more graphic demonstration of how good ideas have cost taxpayers an enormous amount of money.

So we will—and I know that you’ve already made plans to try to curb some of the excesses in procurement. We really have to do that. We’re going to have to pay for Afghanistan, as you well know, and we’re not done in Iraq. But most importantly, we have to make some tough decisions—you, Mr. President, have to make some tough decisions about not only what we procure, but how we procure it.

And I thank you for the opportunity and sharing your thoughts with a lot of very smart people.

*The President.* Well, John, let me—this is going to be one of our highest priorities. By the way, I’ve already talked to Gates about a thorough review of the helicopter situation. The helicopter I have now seems perfectly adequate to me. [*Laughter*] Of course, I’ve never had a helicopter before. So—[*laughter*]—maybe I’ve been deprived and I didn’t know it. [*Laughter*]

But I think it is a—an example of the procurement process gone amuck. And we’re going to have to fix it. Our hope is, is that you, Senator Levin, and others can really take some leadership on this.

And one of the promising things is I think Secretary Gates shares our concern, and he recognizes that simply adding more and more does not necessarily mean better and better or safer and more secure. Those two things are not—they don’t always move in parallel tracks, and we’ve got to think that through.

Steny, you participated in the Social Security panel.

#### *Social Security*

*Representative Steny H. Hoyer.* First off, I think that the Social Security section was a very, very productive section. I think there was some honest—as you would think—disagreements, but as was indicated earlier, John Boehner, myself, Dick Durbin, Lindsey Thomas—

*The President.* Lindsey Graham, sir. I don’t know about Lindsey Thomas, but I know Lindsey Graham. [*Laughter*]

*Rep. Hoyer.* Lindsey Graham—[*laughter*]—South Carolina is not Louisiana, right? I got you. That’ll work—[*laughter*]—but Lindsey Graham. Everybody gave some very solid recommendations. And I think there was in fact a consensus, an understanding of the different perspectives and ways and means to get to an objective was essentially that getting to an objective serves a number of purposes. Obviously, from a fiscal standpoint it served a purpose, but also in giving both seniors and young people confidence that benefits would be available to them in the short term, and from a young people’s standpoint, in the long term.

*The President.* Sir, thank you.

*Rep. Hoyer.* If I can—

*The President.* Please.

*Rep. Hoyer.* I think your comment that follow-through is going to be essential—if we come together and have a group discussion with—[*inaudible*]—a lot of bright people who have some very good information from various, different interest groups who represent large constituencies, if it just stops there, then it won’t have been as useful as you want it to be and as the country wants it to be.

*The President.* Good. Speaking of bright people with large constituencies—Bill Novelli. Where’s Bill? Is he still here? There you are.

I know you participated in the health care panel. Bill, your thoughts on Medicare and the interest of your membership in getting an equitable solution to what is an unsustainable situation.

### *Health Care*

*William D. Novelli.* The whole entitlement thing is as you characterized it. We have a real sustainability problem. But I think you put the right frame on this, Mr. President, by saying that the path to sustainability is health care reform. And our group, I think, had tremendously good ideas. Most of the policy ideas that we all know and share were on the table today.

There's a lot of hard policy work that's going to have to go on, but I think we have some momentum. But I think one of the things that also came out of the session was we need to engage the American people. Yes, we have to think of them as patients, we have to think of them as insured or uninsured, but we also have to think of them as taxpayers and as voters. They need to understand what the tradeoffs are—what they might lose, what they might gain. We can all do that, but nobody could do it as well as you can. You've got the bully pulpit to really carry your message to the public.

*The President.* All right, I appreciate that. This is the only area where we had done a little prejudging of what needs to be done. We have scheduled a health care summit next week. It's not that I've got summititis here—[laughter]—but rather, it's actually exactly the point that you're making, Bill, which is everybody here understands a lot of the tradeoffs involved in health care, and that there are no perfect solutions.

But in the sound bite, political culture that we got, it's very hard to communicate that, and we think that it's very important to have some forums. And I talked about this during—way back in the primary campaign, that there is a process that the public can listen to about what these tradeoffs are, because I think that some of us get on our high horse and say we've got the answer to health care. Well, it turns out that, you know, there are costs involved on

the front end even if the benefits accrue in the out years. There are situations in terms of people, if they've got health insurance, sort of liking what they've got now; they just want it for cheaper. There are issues in terms of providers and them feeling like they're getting squeezed.

And so making sure that all that stuff is surfaced in public and we're educating the public on some of these issues can be very important if we're going to make progress, because, you know, some of these things will ultimately involve some tough decisions and some tough votes.

So budget process—Kent, you participated, and I want to get both your views and John Spratt's views on—I don't know if John is still here; there he is—on budget process and how you think we're going to need to clean this stuff up.

### *Federal Budget*

*Senator Kent Conrad.* Well, first of all, thank you for doing this. I thought it was a terrific start in the White House. I think Bob Greenstein said it very well when he talked about us being on an unsustainable course; the debt being the threat, because we've doubled the debt in the last 8 years, tripled foreign holdings of the debt. Last year, when we went out to finance this debt, 68 percent came from foreign entities, so that creates a vulnerability.

How do we address it? That is the \$64,000 question. And that's what we addressed in our group. I think it's fair to say there were different views. Many of us believe it's going to take some special process to bring all of the players together to write a plan so that we see the tradeoffs between what's available for health care reform, which without question is the 800-pound gorilla, Social Security, which also has to be addressed for the long term, and revenue.

Revenue is the thing almost nobody wants to talk about, but I think if we're going to be honest with each other, we better recognize that is part of the solution as well. And it's very hard to know what you are going to do with Medicare unless you know what revenue is going to be; very hard to know what you're going to do with Social Security without knowing

what revenue is going to be. So somehow we've got to come together around a plan, and of course, that depends on Presidential leadership, which you certainly provided here today.

*The President.* All right. Thank you.

John.

*Representative John M. Spratt, Jr.* I got a bum leg, Mr. President; you'll have to excuse me, sir. Thank you for holding this.

I participated in the 1997 balanced budget negotiations. That was the last time we were at the White House to discuss in common, Democrats and Republicans, some common ground that we could both take up—[inaudible]—issues. Thank you for doing this again; this is only the beginning.

I would agree with Kent that we agree we need a special process. We didn't come to final agreement on exactly what that process would be—would it be a task force or a steering committee within the Congress or a commission from without Congress. That's still an issue to be resolved, but I don't think it's an issue we can't resolve. And we moved towards discussion of some sort of hybrid of the two.

Clearly that's important. I think everyone in that room would agree that if we're to succeed at what we're setting out to do, we need a special process that we can—by which we can accomplish it. We need to force the issue. We need have some assurance that whatever we agree upon can indeed be brought to the floor of each House and brought to a vote.

Many of us think it's too draconian to compare this to the BRAC process where you get an up or down vote, no amendments. But there needs to be some sort of fast track and special procedure to ensure that whatever the entities come up with it will be viewed and considered.

*The President.* Okay. Thank you, John.

Since I see her right—sitting right next to you, Susan, you were in the procurement task force?

#### *Federal Contracts*

*Senator Susan M. Collins.* Yes.

*The President.* Did you have any thoughts on—

*Sen. Collins.* Yes. If you look across the Federal Government, there are problems in IT con-

tracts no matter where you look. And one recommendation that our group talked about is establishing some kind of Nunn-McCurdy law to apply to IT contracts.

In general, we also talked about the need for more competition in contracts, for justification, for cost-plus contracts. My favorite pet peeve is we don't have enough skilled contracting officers. We've had an enormous increase in the volume of contracts at a time when the acquisition workforce has actually declined by 22 percent. So those were some of the issues that we discussed in addition to what Senator McCain said.

*The President.* Charlie, you're right here in front. Kent talked about revenue; you were participating in the tax reform panel.

#### *Taxes*

*Representative Charles B. Rangel.* First let me thank you for bringing us together. The Secretary of Treasury provided a lot of leadership, and making certain that we recognize how important it was to the country and the world that we do something. The corporate part of the tax structure, people thought it was relatively easy to dramatically reduce the rates that make us internationally competitive. The problems, of course, was the different views they have in how you handle the individual rates.

I don't think there's any committee in the House that would be more anxious to bring forth a product, whether it's in health or tax reform or Social Security, to bring forth something in a bipartisan way. And I think this is a dramatic first step to see where we're going. As I said, I don't want to seem to be corny, but it would appear as though that if America recognized the crisis, that they're not looking for a Democratic or Republican solution. And in order for us to be politically successful, they're going have to believe that we've done it in a bipartisan way.

So I think this initiative is a strong first step. I only hope at the end of the day we can come out, maybe not in total agreement, but certainly in a bipartisan way.

*The President.* Just a quick thought on taxes, Charlie. My instinct is, is that you're absolutely right that the individual tax rate is always the

hardest thing. There's some philosophical differences between the parties on this, and I understand that.

On the corporate side, I at least have always maintained that if we try to think in the same ways that we thought about it in 1986, and if you closed loopholes, you could actually lower rates.

*Rep. Rangel.* No question about it.

*The President.* And that's an area where there should be the potential for some bipartisan agreement, because I think, on the books, the rates in the United States are high. In practice, depending on who it is that you can—what kind of accountant you can hire, they're not so high. And that's an area where we can work on. Simplification, same thing—I don't think there's anybody out here who thinks that we are making it customer-friendly for the taxpayer. And that's an area where we can make some great progress.

*Rep. Rangel.* Well, if you're looking for a fight and a partisan fight, any loophole you close is a tax increase. We have to get over that and make certain that the vast majority of businesses recognize it's in their best interest to do the right thing as relates to those who've taken unfair advantage of the Government.

*The President.* Well, you were here in '86, it's been done before. We might be able to get it done this time.

*Rep. Rangel.* Well, under your leadership, I'm looking forward to it. [Laughter]

*The President.* Eric, you got some thoughts?

#### *Economic Stabilization*

*Representative Eric Cantor.* Mr. President, I too want to thank you very much for having us. It's a great opportunity, I think, for us to really come together on some of these very, very big issues.

You said before when we were in discussions on the stimulus debate that we're going to have some very tough choices to make. And we look forward to your address tomorrow night and working through some of these very big issues, as well as trying to address what's on Secretary Geithner's plate in the immediate, as far as the bank fix, the housing fix, and others. Thank you.

*The President.* Good. Thanks.

Max, you were on the health care panel, but obviously, you've got jurisdiction over everything. [Laughter] I know how the Finance Committee works. [Laughter]

#### *Health Care/Bipartisanship in Government*

*Senator Max S. Baucus.* Well, Mr. President, first, all of us are enormously grateful for what you're doing here, not on the specific issues, but also our fiscal problems. It needs to be done, and we deeply appreciate your taking this on together.

I'd like to just make a little bit of a pitch, if you will, on health care reform. I think it's very symbolic and very interesting that the first person you called upon was John McCain. And that's the approach I think we need to take here generally and specifically with health care reform. You had a different view during the campaign on health care reform; John McCain had a different view during the campaign on health care reform. Here's the opportunity for us to come up with something that's uniquely American, it's public and private. And I do believe, if we just keep that working-together approach and keep at it—all opinions, et cetera—and take advantage of this opportunity where the stars are now aligned as to health care, and we'll get it done.

But I was very pleased that you called on John first, because that—I think it's the tone that we have to take here to make sure we're working together. Thank you.

*The President.* Thank you, Max.

Jim, you got any thoughts on this?

*Representative James E. Clyburn.* Well, I just wanted to thank you very much, Mr. President, for doing this. I was thinking when you called on Senator McCain—I came to this Congress after working for four Governors, two Democrats and two Republicans. It is remarkable the things we were able to do in South Carolina with Jim Edwards, as many of you may remember, Carroll Campbell, John West, Dick Riley, simply because he started thinking about what we needed to do for the people of our great State.

I think that what we're doing here today provides a framework for us to really get some

things done for the people of our great Nation. And we can do this. And I'm so pleased that you've set this tone here today. And I think—[inaudible].

*The President.* Mike, were you in the health care panel? Do you want to just add some thoughts?

*Senator Michael B. Enzi.* Thank you, Mr. President. And I too appreciate the effort to bring these people together. We had both a number of associations as well as the House and Senate. And one of the things I want to emphasize was the deed that Senator Baucus pointed out to be bipartisan in the start—at the beginning of the process rather than at the end of the process. To do that—and we do have a task force set up in the Senate that's under—Baucus's heading up, that has had several meetings already that brought out the issues that—all of the issues to be put on the table. And the words not to use, because there are some words that send us right into the weeds in debate—

*The President.* Socialized medicine. [Laughter] Is that one of them?

*Sen. Enzi.* They're words from both sides of the aisle. [Laughter]

Could we not get into the debate that sends us in the weeds and stay up on the bigger things and get the principals together, and then talk to the stakeholders, and then take it through the regular Senate process. Is it possible to do that sort of thing? Senator Kennedy and I and Senators Baucus and Grassley were in the pensions debate, and that took an hour of time on the floor plus two amendments to get that result, because it went through that very difficult process. So I appreciate you including that.

*The President.* Did we have some representatives from the Chamber or business participating?

*John Castellani.* Mr. President, I'm John Castellani from Business Roundtable. We saw each other the other day.

I was in the health care discussion. And the one thing that we all agreed on was that it is absolutely imperative for both fiscal reasons, as well as personal reasons and competitive reasons, to move forward on health care. We simply cannot afford as a nation, and we certainly

cannot afford as businesses, to maintain the status quo, because it is unsustainable.

And I think, as Bill pointed out and has certainly been pointed out by the people that were participating in it, all the Senators and Members, there are a lot of good ideas out there. The time is now to put those good ideas down on a piece of legislation and move forward so we have something that delivers quality health care to everybody in this country in a way that everybody can afford.

*The President.* Business leadership I think is going to be critical. Andy Stern is sitting right to next to you. Andy, you've been working on this front for a long time. You got some thoughts?

*Andy Stern.* I mean, I just want to say that I am sitting next to John, because he and I and Bill Novelli and others really have built a relationship over a long period of time, because we don't see this as a Democratic problem or a Republican problem; it's just an American problem. And it's time to solve it. And Lee, Scott, and I and business and labor and others can come together outside the Congress. It really is time for the Congress to get this job done, because the American people need it.

*The President.* Nice scarf, by the way. [Laughter]

*Mr. Stern.* Thanks.

*The President.* David Walker. Where's David at?

### *Federal Budget*

*David Walker.* Mr. President, it's an honor to be here. Thank you for your leadership.

You touched in your remarks on our balance sheet. As a former Comptroller General of the United States I can tell you we're \$11 trillion in the hole on the balance sheet. And the problem is not the balance sheet, it's off balance sheet, \$45 trillion in unfunded obligations.

You mentioned in January about the need to achieve a grand bargain involving budget process, Social Security, taxes, health care reform. You are 110 percent right; we need to do that. The question is, how do we do it? Candidly, I think it's going to take some type of an extraordinary process that engages the American people, that provides for fast-track consideration.

And with your leadership, that can happen. But that's what it's going to take, Mr. President.

*The President.* Okay. Well, I appreciate that. And again, when we distribute the notes coming out of these task forces, I want to make sure that people are responding, both in terms of substance, but also in terms of process, because we're going to need both in order to make some progress on this.

#### *Federal Workforce and Retirement*

*Audience member.* Mr. President, it was kind of a surprise in the procurement group that was together, we had almost universal recognition that over the last decade or so, we've overdone, in some cases, outsourcing of critical Federal requirements, and that means that in many cases we spend more to hire a contractor or a non-Federal worker than we would pay to invest in Federal workers.

And so there was universal—Republican, Democrat, House and Senate, even—[laughter]—

*The President.* Nice shot. [Laughter]

*Audience member.* —that during this administration we need to assess where we can re-federalize some parts of the workforce, particularly when it came to people who do get procurement and oversee the procurement.

Also, that we do have a system which is disadvantageous to someone remaining in the Federal workforce. Our retirement system pays you less and less the longer you stay. Yours is flat, by the way, one day when you get your retirement. [Laughter] But the accrual system in fact causes people to leave the Federal workforce to double-dip, rather than being encouraged, either during their working time or if we ask them to stay on past their retirement.

So those areas were areas I think we had good common—your folks—Janet took a lot of notes, so I think you're going to see that we have areas where our committees could work with you to make those changes. And they are legislative changes that could save us money.

*The President.* Which I think would be terrific. I mean, that's the kind of stuff—it's not

sexy, but it ends up, over time, making enormous progress.

Anybody else that just wants to—go ahead.

#### *Health Care*

*Audience member.* Thank you. Thank you, Mr. President. I just want to bring up that in the health care, we talked a lot about individuals and the systems of health care that we have and looking for places that we can cut. But as a community organizer, I know that you know that investing in the community—we look at the models across the world, and the models in our country where health care prevails to be the strongest and where people live the longest, it's because they have a community that has—of support and a community-wide—of health care.

And I think if we look at access issues for those from Native American communities, like mine, or rural America or other places that create that access with community support and have the right mid-level service providers and others that can reach to the smaller communities across America—

*The President.* That's important. Yes, go ahead.

#### *Bipartisanship in Government*

*Representative Joe L. Barton.* Mr. President, thank you for having us here at the White House. I'm going to take a little bit different approach. Senator Baucus mentioned it and Chairman Rangel mentioned it, the need for bipartisanship. I think the House Republicans have shown that when we're not included in the decisionmaking, we're disinclined to sign off on the solution.

And it's very easy in the House—it's set up to get things done quickly if the majority is united—to forget about the minority. But if you really want consensus, I would encourage you to encourage the Speaker to have a true open process. This is a good first step, but if this is all we do, it's a sterile step.

On the other hand, if you really follow up and include everybody in the process, you're more than likely to get a solution that everybody signs off on. And I have said or



stood behind every President since Reagan in this room at bill signing ceremonies that were the result of consensus. So I commend you for doing this.

*The President.* Well, Joe, I think you're making an important point. And, you know, my response, first of all is, I'm not in Congress, so I don't want to interject myself too much into congressional politics.

*Rep. Barton.* We'd love you to interject yourself.

*The President.* But I do want to make this point, and I think it's important: On the one hand, the majority has to be inclusive; on the other hand, the minority has to be constructive.

And so to the extent that on many of these issues we are able to break out of sort of the rigid day-to-day politics and think long term, then what you should see, I think, is the majority saying, what are your ideas? The minority has got to then come up with those ideas and not just want to blow the thing up. And I think that on some of these issues, we're going to have some very real differences and, you know, presumably the majority will prevail unless the minority can block it. But you're just going to have different philosophical approaches to some of these problems.

But on the issue that was just raised here on procurement, on the issues—some of the issues surrounding health care, the way it cuts isn't even going to be Democratic/Republican. It's going to be—you know, there may be regional differences; there may be a whole host of other differences. And if that's—if we can stay focused on solving problems, then I will do what I can, through my good offices, to encourage the kind of cooperation you're encouraging.

*Rep. Barton.* Thank you, Mr. President.

*The President.* Way back there, and then I'll—we'll go right here to Tom, and then probably that's going to be it, because I think I'm already over time.

Go ahead.

### *Social Security*

*Heidi Hartmann.* Thank you, Mr. President. Heidi Hartmann, Institute for Women's Policy Research. I just wanted to point out that in the Social Security group, I think there was a fair

amount of concession that, given the demographic trends, we're actually going to need to do some benefit increases for those at the bottom, where we may see poverty increase because we're going to have more older unmarried women, more older minority people. And there was even, I think, a fair amount of consensus that, therefore, we will need to see revenue increases going into the system. So I thought there was a surprising amount of consensus in the Social Security group.

*The President.* Okay, good.

Tom.

### *Bipartisanship in Government*

*Senator Thomas R. Carper.* To tack on what a bunch of others have said, thanks very, very much for bringing us together.

A couple of people have said to me, coming into the meeting, that why is the President continuing to reach out to the minority? And their—I think the answer lies in part—a couple weeks ago, the minister in our church gave a sermon that was based on the parable of the sower—the sower of the seeds. You may recall that in your—some of the seeds were sown in stony ground and rough ground and some of the seeds were sown in places that had thorns, some of the seeds were sown in the—in shallow soil and nothing much came out of it. But some of the seeds were sown in fertile soil and multiplied a hundredfold.

I urge you to continue to reach out not just to Democrats in the House and Senate, but to continue to reach out to Republicans in both Chambers, as well, because some of that will fall in fertile soil. And when it does, the minority has a responsibility, as you suggest—

*The President.* Well, I will certainly do that, Tom, because I'm just a glutton for punishment. [Laughter] I'm going to keep on talking to Eric Cantor. Some day, sooner or later, he is going to say, "Boy, Obama had a good idea." [Laughter] It's going to happen. You watch, you watch. [Laughter]

Well, look, just in closing, again, the sooner everybody can respond to our report coming out of each of these groups, the sooner then we can circulate a summary of everything that happened, and then start speaking with you

individually and in groups about moving the process forward.

One last point I want to make, just because I think that from the press perspective, there—I was reading some of the newspapers today, and there was this sense of a—that maybe we were doing a pivot because we had just moved forward on the recovery package, now we're talking about fiscal responsibility; how did those two things match up?

I just want to be very clear about this. I've said it to the Governors this morning, and I've said it to my staff in the past: We chose to move forward on a recovery package because there was a strong sense among the vast majority of economists that if we did not try to fill a \$1 trillion-a-year hole in demand, because of the drastic pulling back of businesses and consumers, that the recession would get worse, unemployment would increase, and as a consequence, tax revenues would go down and the long-term deficit and debt projections would be even higher. That was the basis for the decision.

It was not ideologically driven. I have no interest in making Government bigger for the sake of it. I've got more than enough on my plate, as Lindsey knows, between Afghanistan and Iraq and issues of terrorism, that if the private sector was just humming along and we could just make Government more efficient and not have to worry about this financial crisis, I would love that. But that's not the circumstance we find ourselves in, so I made the best judgment about the need for us to move forward on a recovery package.

There were some differences, significant differences between the parties about this. I would suggest that if you look at the differences, they amounted to maybe 10, maybe 15 percent of the total package. There wasn't a lot of argument about countercyclical payments to States to make sure that people had extended unemployment insurance or food stamps. There wasn't a lot of disagreement about some

of the infrastructure that needs to be repaired, and there wasn't a lot of disagreement on the tax cut front; 15–20 percent of it there were some disagreements about.

But the reason I make this point is that if we're going to be successful moving forward, it's important for us to distinguish between legitimate policy differences and our politics. And the reason that there is no contradiction, from my perspective, in doing the recovery package first, but now focusing on the medium and long term, is because our hope is that this economy starts recovering. We will have taken a hit, in terms of our debt and our deficit. But as Bob Greenstein said, the recovery package will account for about one-tenth of 1 percent of our long-term debt. The real problems are the structural deficits and the structural debt that we've been accumulating and all of us are complicit in.

So we've got to get that taken care of. We would have had to take—get it taken care of whether or not there was a recession; this just underscores the urgency of it. And I'm hopeful that we move forward in that spirit in the days and weeks and months to come.

So thank you, everybody. Appreciate it.

NOTE: The President spoke at 4:04 p.m. in Room 450 at the Dwight D. Eisenhower Executive Office Building. In his remarks, he referred to economist Douglas J. Holtz-Eakin; William D. Novelli, chief executive officer, American Association of Retired Persons; John J. Castellani, president, Business Roundtable; Andy Stern, president, Service Employees International Union; David Walker, president and chief executive officer, Peter G. Peterson Foundation; and Robert Greenstein, founder and executive director, Center on Budget and Policy Priorities. Sen. McCain referred to Secretary of Homeland Security Janet A. Napolitano. Rep. Rangel referred to Secretary of the Treasury Timothy F. Geithner.