

got a law degree. He returned to Washington State and served as a prosecutor, a State representative, chief executive of one of the most populous counties in the United States, and finally, as Governor in the State capitol building not 1 mile from the home where his grandfather worked as a servant all those years ago.

So Gary knows the American Dream; he's lived it. And that's why he shares my commitment to do whatever it takes to keep it alive in our time.

Because somewhere in America, another small-business owner is hard at work on the next big idea and dreaming big dreams for his grandchild; a scientist is on the cusp of the next breakthrough discovery; an entrepreneur is sketching designs for the startup that will revolutionize an industry. Our economic crisis has put these plans at risk, but it has not dimmed the dreams that inspired them.

And that's why we've put a recovery plan into action that will save or create 3½ million jobs over the next 2 years. That's why the vast majority of these jobs, 90 percent, will be created in the private sector, because we know that business, not government, is the engine of growth in this country.

It is entrepreneurship and industry that are the wellsprings of an economy that has been the greatest force of progress and prosperity in human history. It is America's workers and businesses that employ them that will determine our economic destiny. It is the task of the Department of Commerce to help create conditions in which our workers can prosper, our businesses can thrive, and our economy can grow.

That's what Gary did in Washington State, convincing businesses to set up shop and create the jobs of the 21st century, jobs in science and technology, agriculture and energy, jobs that pay well and can't be shipped overseas.

That's what he did by establishing favorable markets abroad where Washington State's businesses could sell their products. That's what he did by unleashing powerful partnerships between State and local governments, between labor and business, all with an eye towards prosperity and progress for all those in his State who had dreams of their own.

So Gary will be a trusted voice in my Cabinet, a tireless advocate for our economic competitiveness, and an influential ambassador for American industry who will help us do everything we can—especially now—to promote our industry around the world. I'm grateful he's agreed to leave one Washington for another. I'm looking forward to having him on my team as we continue the work of turning our economy around and bringing about a stronger, more prosperous future for all Americans.

Ladies and gentlemen, I want to introduce to you an outstanding public servant, somebody I'm certain will be a great Secretary of Commerce, Gary Locke.

[At this point, Secretary-designate Locke made brief remarks.]

President Obama. Congratulations. You're going to be great.

Secretary-designate Locke. Thank you.

President Obama. All right, thank you everybody.

NOTE: The President spoke at 11:08 a.m. in Room 350 of the Dwight D. Eisenhower Executive Office Building. In his remarks, he referred to James Locke, father of Secretary-designate Locke. The transcript released by the Office of the Press Secretary also included the remarks of Secretary-designate Locke.

Remarks Following a Meeting With Economic Advisers February 25, 2009

Hello, everybody. This afternoon I met with members of my economic team and some key leaders in Congress to discuss the threats to our financial markets in this new century and

how we must transform our regulatory system to meet them.

In recent months, we've seen turmoil on Wall Street like we haven't seen in decades, as

major financial institutions have faltered or been sold off. And we have seen the fallout on Main Street, as the market crisis became a credit crisis, and families struggle to get loans to buy a home or a car, to start a small business or to pay for college.

This financial crisis was not inevitable. It happened when Wall Street wrongly presumed the markets would continuously rise, and traded in complex financial products without fully evaluating the risks. Here in Washington, our regulations lagged behind changes in our markets, and too often, regulators failed to use the authority that they had to protect consumers, markets, and the economy.

We now know from painful experience that we can no longer sustain 21st-century markets with 20th-century regulations, and that while free markets are the key to our progress, they do not give us free license to take whatever we can get, however we can get it.

But let me be clear: The choice we face is not between some oppressive government-run economy or a chaotic and unforgiving capitalism. Rather, strong financial markets require clear rules of the road, not to hinder financial institutions, but to protect consumers and investors, and ultimately to keep those financial institutions strong; not to stifle, but to advance competition, growth, and prosperity. And not just to manage crises, but to prevent crises from happening in the first place, by restoring accountability, transparency, and trust in our financial markets. These must be the goals of a 21st-century regulatory framework that we seek to create.

Our meeting today was a critical first step in developing that framework. And I'm grateful for the legislative leaders to join me here with Secretary Geithner and Dr. Summers. We had a terrific conversation. I think this is an area where there is a growing consensus and where I think the capacity for people from different political parties and different perspectives to come together and solve problems.

I've asked my economic team to develop recommendations for regulatory reform, and then to collaborate with these Members of Congress and others from both sides of the aisle so they

can start crafting legislation in the coming weeks and months.

We will not always see eye to eye in our work. We may disagree, and disagree strongly, about particular provisions. But there are certain core principles that I believe must shape any proposal for reform, and these are the principles that will guide our work.

First, financial institutions that pose serious risks, systemic risks, to our market should be subject to serious oversight by the Government. And here's why: When the Federal Reserve steps in as a lender of last resort, which it's had to do repeatedly since this financial crisis began, it's providing an insurance policy underwritten by the American taxpayer. And taxpayers should be assured that the Fed thoroughly understands the institutions that it is effectively insuring and actively monitoring them to make sure that they're not taking risks that will cost taxpayers in the long term.

Second, our regulatory system and each of our major markets must be strong enough to withstand both system-wide stress and the failure of one or more large institutions. And that means modernizing and streamlining our regulatory structure, and monitoring both the scale and scope of risks that institutions can take.

Third, to rebuild trust in our markets, we must redouble our efforts to promote openness, transparency, and plain language throughout our financial system.

Fourth, we need strong and uniform supervision of financial products marketed to investors and consumers. And we should base this oversight not on abstract models created by the institutions themselves, but on actual data on how actual people make financial decisions.

Fifth, we must demand strict accountability, starting at the top. Executives who violate the public trust must be held responsible.

Sixth, we must make sure our system of regulations covers appropriate institutions and markets, and is comprehensive and free of gaps, and prevents those being regulated from cherry-picking among competing regulators.

Finally, we must recognize that the challenges we face are not just American challenges, they are global challenges. So as we work to set high regulatory standards here in the United

States, we have to challenge other countries around the world to do the same. That's how we will stop financial crises from spilling across borders and prevent global crises of the sort that we now face.

In the end, the work of constructing a new regulatory framework will not be easy, and reform will not happen overnight. But we must never forget that our market has always been the engine of America's success, rewarding innovators and risk-takers, creating opportunities for generations of Americans and prosperity that is the envy of the world.

And I have the utmost confidence that if these outstanding public servants standing be-

side me are working in concert, if we all do our jobs, if we once again guide the market's invisible hand with a higher principle, our markets will recover. Our economy will once again thrive, and America will once again lead the world in this new century as it did in the last.

So thank you very much, everybody. See you.

NOTE: The President spoke at 3:56 p.m. in the Diplomatic Reception Room at the White House. In his remarks, he referred to Secretary of the Treasury Timothy F. Geithner; and Lawrence H. Summers, Director, National Economic Council.

Remarks on the Federal Budget *February 26, 2009*

All right. Before I begin, I have some good news to report. Starting today, the recently unemployed will benefit from a COBRA subsidy that will make health care affordable. At a time when health care is too often too expensive for the unemployed, this critical step will help 7 million Americans who've lost their jobs keep their health care. That's 7 million Americans who will have one less thing to worry about when they go to sleep at night. Equally important, it prevents a further downward spiral in our economy by ensuring that these families don't fall further behind because of mounting health care bills. And it is a direct result of the American Recovery and Reinvestment Act that I signed into law the other week, a recovery plan that has only just begun to yield benefits for the American people.

But while we must add to our deficits in the short term to provide immediate relief to families and get our economy moving, it is only by restoring fiscal discipline over the long run that we can produce sustained growth and shared prosperity. And that is precisely the purpose of the budget I'm submitting to Congress today.

In keeping with my commitment to make our Government more open and transparent, this budget is an honest accounting of where we are and where we intend to go. For too long, our budget has not told the whole truth

about how precious tax dollars are spent. Large sums have been left off the books, including the true cost of fighting in Iraq and Afghanistan. And that kind of dishonest accounting is not how you run your family budgets at home; it's not how your Government should run its budgets either. We need to be honest with ourselves about what costs are being racked up, because that's how we'll come to grips with the hard choices that lie ahead. And there are some hard choices that lie ahead.

Just as a family has to make hard choices about where to spend and where to save, so do we as a Government. You know, there are times where you can afford to redecorate your house and there are times where you need to focus on rebuilding its foundation. Today, we have to focus on foundations. Having inherited a trillion-dollar deficit that will take a long time for us to close, we need to focus on what we need to move the economy forward, not on what's nice to have. And that's why, on Monday, I held a fiscal summit to come up with a plan to put us on a more sustainable path. And that is why, as we develop a full budget that will come out this spring, we're going to go through our books page by page, line by line, to eliminate waste and inefficiency. This is a process that will take some time, but in the last 30 days alone, we have already identified \$2