

Remarks on the Establishment of the President's Economic Recovery Advisory Board

February 6, 2009

The President. Thank you. Please have a seat. Good morning, everybody.

Audience members. Good morning.

The President. I have just had the opportunity to welcome the members of my Economic Recovery Advisory Board. And I'm grateful that I will have the counsel of these extraordinarily talented and experienced men and women in the challenging months to come.

If there's anyone, anywhere, who doubts the need for wise counsel and bold and immediate action, just consider the very troubling news we received just this morning. Last month, another 600,000 Americans lost their jobs. That is the single worst month of job loss in 35 years. The Department of Labor also adjusted their job loss numbers for 2008 upwards and now report that we've lost 3.6 million jobs since this recession began.

That's 3.6 million Americans who wake up every day wondering how they are going to pay their bills, stay in their homes, and provide for their children. That's 3.6 million Americans who need our help.

I'm sure that at the other end of Pennsylvania Avenue, Members of the Senate are reading these same numbers this morning. And I hope they share my sense of urgency and draw the same, unmistakable conclusion: The situation could not be more serious. These numbers demand action. It is inexcusable and irresponsible for any of us to get bogged down in distraction, delay, or politics as usual, while millions of Americans are being put out of work.

Now is the time for Congress to act. It's time to pass an economic recovery and reinvestment plan to get our economy moving.

This is not some abstract debate. It is an urgent and growing crisis that can only be fully understood through the unseen stories that lie underneath each and every one of those 600,000 jobs that were lost this month. Somewhere in America, a small business has shut its doors; somewhere in America, a family has said goodbye to their home; somewhere in America,

a young parent has lost their livelihood, and they don't know what's going to take its place.

These Americans are counting on us, all of us in Washington. We have to remember that we're here to work for them. And if we drag our feet and fail to act, this crisis could turn into a catastrophe. We'll continue to get devastating job reports like today's, month after month, year after year. It's very important to understand that, although we had a terrible year with respect to jobs last year, the problem is accelerating not decelerating. It's getting worse not getting better. Almost half of the jobs that were lost have been lost just in the last couple of months.

These aren't my assessments; these are the assessments of independent economists. If we don't do anything, millions more jobs will be lost. More families will lose their homes. More Americans will go without health care. We'll continue to send our children to crumbling schools and be crippled by our dependence on foreign oil. That's the result of inaction. And it's not acceptable to the American people.

They did not choose more of the same in November. They did not send us to Washington to get stuck in partisan posturing, to try to score political points. They did not send us here to turn back to the same tried-and-failed approaches that were rejected, because we saw the results. They sent us here to make change, with the expectation that we would act.

Now, I have repeatedly acknowledged that, given the magnitude and the difficulties of the problem we're facing, there are no silver bullets, and there are no easy answers. The bill that's emerged from Congress is not perfect, but a bill is absolutely necessary. We can continue to improve and refine both the House and Senate versions of these bills. There may be provisions in there that need to be left out; there may be some provisions that need to be added. But broadly speaking, the package is the right size, it is the right scope, and it has the right priorities to create 3 to 4 million jobs and to do it in a way that lays the groundwork for

long-term growth, by fixing our schools, modernizing our health care to lower costs, repair our roads and bridges and levees and other vital infrastructure, move us towards energy independence. That is what America needs. It will take months, even years, to renew our economy, but every day that Washington fails to act, that recovery is delayed.

Now, we also know that no single act can meet the challenges of this moment. This process is just the beginning of a long journey back to progress and growth and prosperity. Given the scope of this crisis, we'll need all hands on deck to figure out how we are going to move forward. And I'm pleased to have an extraordinary team of folks in my administration: Tim Geithner at Treasury, Larry Summers, Christina Romer, Peter Orszag. They're all here in the White House. I also want to be sure that we're tapping a broad and diverse range of opinion from across the country, because a historic crisis demands a historic response. And that's why we took the unique step of creating the new institution whose members have gathered here today.

Put simply, I created this board to enlist voices to come from beyond the Washington echo chamber, to ensure that no stone is unturned as we work to put people back to work and get our economy moving.

Within this group, you've got leaders of manufacturing and leaders of finance. You've got labor, and you've got management. You've got people who work in small businesses and people who work in large businesses. You've got some economists and some folks who think they're economists. *[Laughter]* By the way, these days everybody thinks they're an economist. *[Laughter]* We will meet regularly so that I can hear different ideas and sharpen my own and seek counsel that is candid and informed by the wider world.

The board is headed by Paul Volcker—not only because he's the tallest among us—*[laughter]*—but because, by any measure, he is one of the world's foremost experts on the economy, one of the most experienced and insightful economic minds that we have. He's advised me for many months. He has helped steer the American economy through many

twists and turns. Probably, prior to this one, the worst economic crisis we had back in the early eighties, it was Paul Volcker who helped restore confidence and pull us out of that extraordinarily difficult time.

So I'm glad that Paul has decided to continue his public service at this critical moment. Assisting Paul and the rest of the board will be Austan Goolsbee, who's been one of my closest economic advisers, one of the finest young economists that we have in the country. And he's going to ensure that we are making the best possible use of this unique resource.

I'm not interested in groupthink, which is why the board reflects a broad cross-section of experience and expertise and ideology. We've recruited Republicans and Democrats, people who come out of the Government as well as the private sector. Not everyone is going to agree with each other, and not all of them are going to agree with me. And that's precisely the point, because we want to ensure that our policies have the benefit of independent thought and vigorous debate.

And we're also going to count on these men and women to serve as additional eyes and ears for me as we work to reverse this downturn. Many of them have ground-level views of the changes that are taking place, as they work across different sectors of the economy and different regions of the country, and they can help us see the trends that are not fully formed, the trouble that may be on the horizon, and the opportunities that have yet to be seized. I look forward to relying on their input and recommendations on specific questions as we jump-start job creation and pursue strong and stable economic growth.

This new institution should send a signal of how seriously I take the responsibility of building an economic recovery that is broad and enduring. These are extraordinary times. And for far too many Americans, the future is filled with unanswered questions: Can I get a job? Will my family be able to stay in their home? Will I be able to retire with dignity and see my children lead a better life? And these are the questions that we will answer affirmatively during the course of this administration.

We are going to create the jobs that our people need and the future that this great Nation deserves. Those are the challenges that I've put before my economic team, and these distinguished advisers will be tackling those same issues in the months and years to come.

So I'm grateful to them. And before I officially sign this Executive order, I would like Paul just to say a quick word.

NOTE: The President spoke at 11:58 a.m. in the East Room at the White House. In his remarks, he referred to Secretary of the Treasury Timothy F. Geithner; Lawrence H. Summers, Direc-

tor, National Economic Council; Christina D. Romer, Chair, Council of Economic Advisers; Peter R. Orszag, Director, Office of Management and Budget; and Austan Goolsbee, staff director and chief economist, President's Economic Recovery Advisory Board. The transcript released by the Office of the Press Secretary also included the remarks by Paul A. Volcker, Chairman, President's Economic Recovery Advisory Board. The Executive order establishing the President's Economic Recovery Advisory Board is listed in Appendix D at the end of this volume.

The President's Weekly Address *February 7, 2009*

Yesterday began with some devastating news with regard to our economic crisis. But I'm pleased to say it ended on a more positive note.

In the morning, we received yet another round of alarming employment figures, the worst in more than 30 years. Another 600,000 jobs were lost in January. We've now lost more than 3.6 million jobs since this recession began.

But by the evening, Democrats and Republicans came together in the Senate and responded appropriately to the urgency this moment demands.

In the midst of our greatest economic crisis since the Great Depression, the American people were hoping that Congress would begin to confront the great challenges we face. That was, after all, what last November's election was all about.

Legislation of such magnitude deserves the scrutiny that it's received over the last month, and it will receive more in the days to come. But we can't afford to make perfect the enemy of the absolutely necessary. The scale and scope of this plan is right. And the time for action is now, because if we don't move swiftly to put this plan in motion, our economic crisis could become a national catastrophe. Millions of Americans will lose their jobs, their homes, and their health care. Millions more will have to put their dreams on hold.

Let's be clear: We can't expect relief from the tired old theories that, in eight short years,

doubled the national debt, threw our economy into a tailspin, and led us into this mess in the first place. We can't rely on a losing formula that offers only tax cuts as the answer to all our problems while ignoring our fundamental economic challenges: the crushing cost of health care or the inadequate state of so many schools; our addiction to foreign oil or our crumbling roads, bridges, and levees.

The American people know that our challenges are great. They don't expect Democratic solutions or Republican solutions; they expect American solutions.

From the beginning, this recovery plan has had at its core a simple idea: Let's put Americans to work doing the work America needs done. It will save or create more than 3 million jobs over the next 2 years, all across the country—16,000 in Maine, nearly 80,000 in Indiana, almost all of them in the private sector, and all of them jobs that help us recover today and prosper tomorrow.

Jobs that upgrade classrooms and laboratories in 10,000 schools nationwide—at least 485 in Florida alone—and train an army of teachers in math and science. Jobs that modernize our health care system, not only saving us billions of dollars, but countless lives. Jobs that construct a smart electric grid, connect every corner of the country to the information superhighway, double our capacity to generate renewable energy, and grow the economy of tomorrow. Jobs that