

Remarks on the First Meeting of the National Commission on Fiscal Responsibility and Reform

April 27, 2010

Good morning, everybody.

As a nation, we continue to experience the consequence of three distinct, but closely related challenges. One is a financial crisis, born of reckless speculation that threatened to choke off lending to families and to businesses. And this crisis, in turn, led to the deepest recession we've known in generations, costing millions of Americans their jobs and their homes, closing thousands of businesses, and devastating Main Streets across the country. And over the past 2 years, this downturn has aggravated an already severe fiscal crisis, brought on by decades of bad habits in Washington.

As a result, the day I walked into this door—the Oval Office—the deficit stood at \$1.3 trillion, with projected deficits of \$8 trillion over the next 10 years. Partly, this was caused by the recession, which meant the Government was taking in less, while demanding—while demand for assistance for those who had lost their jobs was far greater. Another contributor to our deficit has been the rising costs of health care. Each year, more tax dollars are devoted to Medicare and to Medicaid.

But what also made these large deficits possible was that for years, folks in Washington deferred politically difficult decisions and avoided telling hard truths about the nature of the problem. The fact is, it's always easier, when you're in public life, to share the good news, to tell people what they want to hear instead of what they need to know. And as the gentlemen behind me, Alan Simpson and Erskine Bowles, can attest, this has been the norm around Washington for a very long time when it comes to our finances.

Now, over the past year, we've had to take emergency measures to prevent the recession from becoming another depression. And at a time when millions of people are out of work, we'll continue to do what it takes to spur job creation, while investing in a new foundation for lasting economic growth. But the emergen-

cy measures have added about \$1 trillion to the deficit over the next 10 years. As a result, even as we take these necessary steps in the short term, we have an obligation to future generations to address our long-term, structural deficits, which threaten to hobble our economy and leave our children and grandchildren with a mountain of debt.

And that's why I asked Congress to restore the pay-as-you-go rule. This rule says that Congress can't spend a dollar on a new tax cut or entitlement program unless it saves a dollar elsewhere. It's what helped lead to the balanced budgets of the 1990s. In fact, it was only by abandoning pay-as-you-go that record surpluses turned into record deficits during the course of a decade.

Next, we've been scouring the budget line by line, identifying more than \$20 billion in savings this year alone. We've cut or eliminated scores of outmoded or ineffective programs and begun to reform our bloated contracting system. We've also successfully challenged the custom in Congress of courting favored contractors by approving weapons systems the Pentagon itself said that it doesn't want or need. Because in these hard times, we have to save where we can afford so that we can pay for what we need, the same way families do.

Finally, I've proposed a freeze in Government spending for 3 years. This won't affect benefits through Medicare, Medicaid, or Social Security. And it will not affect national security, including benefits for veterans. But it will affect all other discretionary spending. My budget ends loopholes and tax giveaways for oil and gas companies and for the wealthiest 2 percent of Americans, because we just can't afford them. And I kept my promise to pass a health reform bill without adding a dime to the deficit. In fact, by attacking waste and fraud and promoting better care, reform is expected to bring down our deficits by more than \$1 trillion over the next two decades.

But all these steps, while significant, are simply not enough. For even as we rein in

waste and ask that Congress account for every dollar it spends, this alone will not make up for the years in which those in Washington refused to make hard choices and live within their means. And it will not make up for the chronic failure to level with the American people about the cost of the services that they value.

This is going to require people of both parties to come together and take a hard look at the growing gap between what the Government spends and what the Government raises in revenue. And it will require that we put politics aside, that we think more about the next generation than the next election. There is simply no other way to do it.

That's why I appointed the National Commission on Fiscal Responsibility and Reform, based on a proposal originally presented by a bipartisan group of Senators. And today, the Commission will have its first official meeting. I am grateful to all of its members—Democrats and Republicans, folks in Government and folks from the private sector—for participating.

I especially want to thank Erskine Bowles and Alan Simpson for chairing the Commission. These two men may have different political affiliations, but they share a strength of character, an ability to work across party lines, and a willingness to tell the hard truths even when it's hard. These qualities will be essential, as will the courage they've already shown by taking on this assignment.

Now, I've said that it's important that we not restrict the review or the recommendations that this Commission comes up with in any way. Everything has to be on the table. And I just met briefly with the Commission and said the same thing to them. Of course, this means that all of you, our friends in the media, will ask me and others, once a week or once a day, about what we're willing to rule out or rule in when it comes to the recommendations of the Commission. That's an old Washington game, and it's one that has made it all but impossible in the

past for people to sit down and have an honest discussion about putting our country on a more secure fiscal footing.

So I want to deliver this message today: We're not playing that game. I'm not going to say what's in; I'm not going to say what's out. I want this Commission to be free to do its work.

In theory, there are few issues on which there is more vigorous bipartisan agreement than fiscal responsibility. But in practice, this responsibility for the future is often overwhelmed by the politics of the moment. It falls prey to special interest pressures, to the pull of local concerns, and to the reality familiar to every single American: It's a lot easier to spend a dollar than to save one. That's what, at root, led to these exploding deficits. And that is what will lead to a day of reckoning. But I believe, with the help of these gentlemen and this Commission, we can begin to meet this challenge in a serious and thoughtful way. And I believe we must, for the future of our country.

So, Alan, Erskine, thank you for your participation. I want to thank all the members of the Fiscal Commission. We've got a serious group in there of Democrats and Republicans, private sector and public sector, people who are sincere about this effort. And I told them that we are serious about it as well.

I think I've shown over the last year that I'm willing to do things even when they're not popular. A lot of the decisions, in terms of getting our budget under control, may not be popular, but I think the reason that Alan and Erskine agreed to take on this assignment is that they were convinced I was serious about it. And I'm going to be standing with them as they come up with the recommendations.

So thank you very much, everybody.

NOTE: The President spoke at 9:50 a.m. in the Rose Garden at the White House. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

Remarks at Siemens Energy, Inc., in Fort Madison, Iowa
April 27, 2010

The President. Hello, everybody. Oh, it's good to be back in Iowa, good to be in Fort Madison. Thank you. Everybody, please have a seat.

I want to just acknowledge some of our special guests: first of all, my Secretary of Agriculture—you may still know him as Governor Vilsack; I know him as Secretary Vilsack—give Tom Vilsack a big round of applause; your current Governor, who is doing an outstanding job, Chet Culver; the mayor of Fort Madison, Steve Ireland. Steve, it's good to see you again.

The president and CEO of Siemens, Peter Loescher, is here; and our plant manager, Robert Gjuraj, who just gave me a terrific tour—so thank you, Robert. Where's Robert? There he is right there.

I have just been on an incredibly impressive tour of this facility and saw how these giant blades are created. And they look even cooler up close—unbelievably impressive technologies. And it was remarkable just to see how these things are made, but it's even more remarkable when you consider that just a few short years ago, this facility was dark, it was quiet, nothing was going on. And today it's alive and humming with more than 600 employees, almost two-thirds of whom found themselves unemployed before they were here. And this plant—[*applause*]*—Robert was telling me—I may get my facts wrong here, but even 2 years ago, you had only 200 employees. Now we've got 600 employees 2 years later. And this plant supports more than 350 other jobs throughout Lee County, so—[applause].*

So you're manufacturing blades for some of the most advanced wind turbines in the world. Each one is as tall as Air Force One is long; each is capable of generating enough power for hundreds of homes, just by harnessing the wind. So what's going on here, what each of the employees of Siemens are involved with, is helping stake America's claim on a clean energy future. And you're staking Fort Madison's claim on America's future.

And that's why I come to Iowa here today. Somebody—one of the reporters said, "Why Iowa?" I said, well, I love Iowa, first of all—wouldn't have been President if it wasn't for Iowa. It's close to Illinois. [*Laughter*] But also, I wanted to come here because to talk with folks like you about the economic hardship and the pain that this town has gone through and so many people are still feeling is important, but it's also to talk about the economic potential.

Lately, we've been able to report some welcome news after a hard 2 years. Our economy is finally growing again. Our markets are climbing. Our businesses are beginning to create jobs again.

Now, in too many places, though, the recovery isn't reaching everybody just yet. Times are still tough in towns like Fort Madison. And times are still tough for middle class Americans, who have been swimming against the current for years before this economic tidal wave hit. So even as we took steps to rescue our economy and recover from this crisis, we also wanted to take steps to rebuild our economy on a new foundation, a firmer foundation for long-term growth and prosperity, to create conditions so that folks who work hard can finally get ahead.

And that means making our schools more competitive. It means making our colleges more affordable. Yes, it means making health insurance affordable and giving families and businesses more choice and more competition and more protection from the worst abuses of the insurance industry. And it means commonsense reforms that prevent irresponsibility of a few on Wall Street from threatening the dreams of millions on Main Street.

But the reason we're here is because it also means igniting a new, clean energy economy that generates good jobs right here in the United States.

Now, we've talked about this for decades. We talked about how our dependence on fossil fuels threatened our economy. But after all the talk, a lot of times our will to act rose and fell