

New Zealanders, the Kiwis are pretty good at rugby so—[laughter]—I don't think we're seeded number one in the tournament, but I have confidence that we will acquit ourselves well.

All right. Thank you, everybody.

NOTE: The President spoke at 2:10 p.m. in the Oval Office at the White House. In his remarks, he referred to Secretary of State Hillary Rodham Clinton; and Minister of Foreign Affairs Murray S. McCully of New Zealand.

Statement on Certification of Repeal of the United States Military's "Don't Ask, Don't Tell" Policy

July 22, 2011

Today we have taken the final major step toward ending the discriminatory "don't ask, don't tell" law that undermines our military readiness and violates American principles of fairness and equality. In accordance with the legislation that I signed into law last December, I have certified and notified Congress that the requirements for repeal have been met. "Don't ask, don't tell" will end once and for all in 60 days—on September 20, 2011.

As Commander in Chief, I have always been confident that our dedicated men and women in uniform would transition to a new policy in an orderly manner that preserves unit cohesion, recruitment, retention, and military effectiveness. Today's action follows extensive training of our military personnel and certification by Secretary Panetta and Admiral Mullen that our military is ready for repeal. As of September 20th, servicemembers will no longer be

forced to hide who they are in order to serve our country. Our military will no longer be deprived of the talents and skills of patriotic Americans just because they happen to be gay or lesbian.

I want to commend our civilian and military leadership for moving forward in the careful and deliberate manner that this change requires, especially with our Nation at war. I want to thank all our men and women in uniform, including those who are gay or lesbian, for their professionalism and patriotism during this transition. Every American can be proud that our extraordinary troops and their families, like earlier generations that have adapted to other changes, will only grow stronger and remain the best fighting force in the world and a reflection of the values of justice and equality that define us as Americans.

Remarks on the Federal Budget and an Exchange With Reporters

July 22, 2011

The President. Good evening, everybody. I wanted to give you an update on the current situation around the debt ceiling. I just got a call about a half hour ago from Speaker Boehner, who indicated that he was going to be walking away from the negotiations that we've been engaged in here at the White House for a big deficit reduction and debt reduction package. And I thought it would be useful for me to just give you some insight into where we were and why I think that we should have moved forward with a big deal.

Essentially what we had offered Speaker Boehner was over a trillion dollars in cuts to

discretionary spending, both domestic and defense. We then offered an additional \$650 billion in cuts to entitlement programs: Medicare, Medicaid, Social Security. We believed that it was possible to shape those in a way that preserved the integrity of the system, made them available for the next generation, and did not affect current beneficiaries in an adverse way.

In addition, what we sought was revenues that were actually less than what the Gang of Six signed off on. So you had a bipartisan group of Senators, including Republicans who are in leadership in the Senate, calling for what effectively was about \$2 trillion above the Republi-

can baseline that they've been working off of. What we said was give us \$1.2 trillion in additional revenues, which could be accomplished without hiking taxes—tax rates, but could simply be accomplished by eliminating loopholes, eliminating some deductions, and engaging in a tax reform process that could have lowered rates generally while broadening the base.

So let me reiterate what we were offering. We were offering a deal that called for as much discretionary savings as the Gang of Six. We were calling for taxes that were less than what the Gang of Six had proposed. And we had—we were calling for modifications to entitlement programs—would have saved just as much over the 10-year window. In other words, this was an extraordinarily fair deal. If it was unbalanced, it was unbalanced in the direction of not enough revenue.

But in the interest of being serious about deficit reduction, I was willing to take a lot of heat from my party. And I spoke to Democratic leaders yesterday, and although they didn't sign off on a plan, they were willing to engage in serious negotiations, despite a lot of heat from a lot of interest groups around the country, in order to make sure that we actually dealt with this problem.

It is hard to understand why Speaker Boehner would walk away from this kind of deal. And frankly, if you look at the commentary out there, there are a lot of Republicans that are puzzled as to why it couldn't get done. In fact, there are a lot of Republican voters out there who are puzzled as to why it couldn't get done. Because the fact of the matter is the vast majority of the American people believe we should have a balanced approach.

Now, if you do not have any revenues, as the most recent Republican plan that's been put forward both in the House and the Senate proposed, if you have no revenues at all, what that means is more of a burden on seniors, more drastic cuts to education, more drastic cuts to research, a bigger burden on services that are going to middle class families all across the country. And it essentially asks nothing of corporate jet owners, it asks nothing of oil and gas companies, it asks nothing from folks like me

who've done extremely well and can afford to do a little bit more.

In other words, if you don't have revenues, the entire thing ends up being tilted on the backs of the poor and middle class families. And the majority of Americans don't agree on that approach.

So here's what we're going to do. We have now run out of time. I told Speaker Boehner, I've told Democratic Leader Nancy Pelosi, I've told Harry Reid, and I've told Mitch McConnell I want them here at 11 o'clock tomorrow. We have run out of time. And they are going to have to explain to me how it is that we are going to avoid default. And they can come up with any plans that they want and bring them up here, and we will work on them. The only bottom line that I have is that we have to extend this debt ceiling through the next election, into 2013. And the reason for it is we've now seen how difficult it is to get any kind of deal done. The economy is already weakened. And the notion that 5 or 6 or 8 months from now we'll be in a better position to try to solve this problem makes no sense.

In addition, if we can't come up with a serious plan for actual deficit and debt reduction and all we're doing is extending the debt ceiling for another 6, 7, 8 months, then the probabilities of downgrading U.S. credit are increased, and that will be an additional cloud over the economy and make it more difficult for us and more difficult for businesses to create jobs that the American people so desperately need.

So they will come down here at 11 o'clock tomorrow. I expect them to have an answer in terms of how they intend to get this thing done over the course of the next week. The American people expect action. I continue to believe that a package that is balanced and actually has serious debt and deficit reduction is the right way to go. And the American people, I think, are fed up with political posturing and an inability for politicians to take responsible action as opposed to dodge their responsibilities.

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

Ben [Ben Feller, Associated Press].

The President's Relationship With the Speaker of the House of Representatives/Budget Debate/National Debt and Deficit

Q. Thank you, Mr. President. You said you want the leaders back here at 11 to give you an answer about the path forward. What is your answer about the path forward? What path do you prefer, given what's just happened?

The President. Well—

Q. And also, sir, quickly, what does this say about your relationship with Speaker Boehner?

The President. Well, with respect to my relationship with Speaker Boehner, we've always had a cordial relationship. We had very intense negotiations; I'm going to have my team brief you exactly on how these negotiations proceeded. Up until sometime early today when I couldn't get a phone call returned, my expectation was that Speaker Boehner was going to be willing to go to his caucus and ask them to do the tough thing but the right thing. I think it has proven difficult for Speaker Boehner to do that. I've been left at the altar now a couple of times.

And I think that one of the questions that the Republican Party is going to have to ask itself is can they say yes to anything? Can they say yes to anything? I mean, keep in mind it's the Republican Party that has said that the single most important thing facing our country is deficits and debts. We've now put forward a package that would significantly cut deficits and debt. It would be the biggest debt reduction package that we've seen in a very long time.

And it's accomplished without raising individual tax rates. It's accomplished in a way that's compatible with the "no tax" pledge that a whole bunch of these folks signed on to, because we were mindful that they had boxed themselves in, and we tried to find a way for them to generate revenues in a way that did not put them in a bad spot.

And so the question is, what can you say yes to? Now, if their only answer is what they've presented, which is a package that would effectively require massive cuts to Social Security, to Medicare, to domestic spending, with no revenues whatsoever, not asking anything from the wealthiest in this country or corporations

that have been making record profits—if that's their only answer, then it's going to be pretty difficult for us to figure out where to go. Because the fact of the matter is that's what the American people are looking for, is some compromise, some willingness to put partisanship aside, some willingness to ignore talk radio or ignore activists in our respective bases and do the right thing.

And to their credit, Nancy Pelosi, Harry Reid, the Democratic leadership, they sure did not like the plan that we were proposing to Boehner, but they were at least willing to engage in a conversation because they understood how important it is for us to actually solve this problem. And so far I have not seen the capacity of the House Republicans in particular to make those tough decisions.

And so then the question becomes, where's the leadership? Or alternatively, how serious are you actually about debt and deficit reduction? Or do you simply want it as a campaign ploy going into the next election?

Now, in terms of where we go next, here's the one thing that we've got to do. At minimum, we've got to increase the debt ceiling—at minimum. I think we need to do more than that. But as I've said before, Republican Leader McConnell in the Senate put forward a plan that said he's going to go ahead and give me the responsibility to raise the debt ceiling. That way folks in Congress can vote against it, but at least it gets done. I'm willing to take the responsibility. That's my job. So if they want to give me the responsibility to do it, I'm happy to do it.

But what we're not going to do is continue to play games and string this along for another 8, 9 months, and then have to go through this whole exercise all over again. That we're not going to do.

Jessica Yellin [CNN].

Budget Debate

Q. Standing here tonight, Mr. President, can you assure the American people that they will get their Social Security checks on August 3? And if not, who's to blame?

The President. Well, when it comes to all the checks, not just Social Security—veterans, people with disabilities, about 70 million checks are sent out each month—if we default, then we’re going to have to make adjustments. And I’m already consulting with Secretary Geithner in terms of what the consequences would be.

We should not even be in that kind of scenario. And if Congress—and in particular, the House Republicans—are not willing to make sure that we avoid default, then I think it’s fair to say that they would have to take responsibility for whatever problems arise in those payments. Because, let me be—let me repeat: I’m not interested in finger-pointing, and I’m not interested in blame, but I just want the facts to speak for themselves. We have put forward a plan that is more generous to Republican concerns than a bipartisan plan that was supported by a number of Republican Senators, including at least one that is in Republican leadership in the Senate. Now, I’ll leave it up to the American people to make a determination as to how fair that is. And if the leadership cannot come to an agreement in terms of how we move forward, then I think they will hold all of us accountable.

But that shouldn’t even be an option. That should not be an option. I’m getting letters from people who write me and say, “At the end of every month, I have to skip meals”—senior citizens on Social Security who are just hanging on by a thread, folks who have severe disabilities who are desperate every single month to try to figure out how they’re going to make ends meet. But it’s not just those folks. You’ve got business contractors who are providing services to the Federal Government, who have to wonder are they going to be able to get paid and what does that do in terms of their payrolls.

You’ve got just a huge number of people who, in one way or another, interact with the Federal Government. And even if you don’t, even if you’re not a recipient of Social Security, even if you don’t get veterans’ benefits or disabilities, imagine what that does to the economy when suddenly, 70 million checks are put

at risk. I mean, if you’re a business out there, that is not going to be good for economic growth. And that’s the number-one concern of the American people.

So we’ve got to get it done. It is not an option not to do it.

Q. And your degree of confidence?

The President. I am confident simply because I cannot believe that Congress would end up being that irresponsible that they would not send a package that avoids a self-inflicted wound to the economy at a time when things are so difficult.

Scott Horsley [National Public Radio].

Budget Debate

Q. Mr. President, can you explain why you were offering a deal that was more generous than the Gang of Six, which you seemed to be embracing on Tuesday when you were here?

The President. Because what had become apparent was that Speaker Boehner had some difficulty in his caucus. There are a group of his caucus that actually think default would be okay and have said that they would not vote for increasing the debt ceiling under any circumstances.

And so I understand how they get themselves stirred up and the sharp ideological lines that they’ve drawn. And ultimately, my responsibility is to make sure that we avoid extraordinary difficulties to American people and American businesses.

And so, unfortunately, when you’re in these negotiations, you don’t get 100 percent of what you want. You may not even get 60 or 70 percent of what you want. But I was willing to try to persuade Democratic leadership as well as Democratic Members of Congress that even a deal that is not as balanced as I think it should be is better than no deal at all. And I was willing to persuade Democrats that getting a handle on debt and deficit reduction is important to Democrats just as much as it’s important to Republicans. And frankly, a lot of Democrats are persuaded by that.

As I said in the last press conference, if you’re a progressive, you should want to get our fiscal house in order, because once we do,

it allows us to then have a serious conversation about the investments that we need to make, like infrastructure, like rebuilding our roads and our bridges and airports, like investing more in college education, like making sure that we're focused on the kinds of research and technology that's going to help us win the future. It's a lot easier to do that when we've got our fiscal house in order. And that was an argument that I was willing to go out and make to a lot of skeptical Democrats, as you saw yesterday.

But ultimately, that's what we should expect from our leaders. If this was easy, it would have already been done. And I think what a lot of the American people are so disappointed by is this sense that all the talk about responsibility, all the talk about the next generation, all the talk about making sacrifices, that when it comes to actually doing something difficult, folks walk away.

And last point I'll make here. I mean, I've gone out of my way to say that both parties have to make compromises. I think this whole episode has indicated the degree to which at least a Democratic President has been willing to make some tough compromises. So when you guys go out there and write your stories, this is not a situation where somehow this was the usual food fight between Democrats and Republicans. A lot of Democrats stepped up in ways that were not advantageous politically. So we've shown ourselves willing to do the tough stuff on an issue that Republicans ran on.

Norah [Norah O'Donnell, CBS News].

Budget Debate

Q. Mr. President, there seems to be an extraordinary breakdown of trust involved here. And I wonder if you could address what we're hearing from Republicans, which is that there was a framework and a deal that was agreed with your Chief of Staff, with the Treasury Secretary, about a certain number of revenues, that the Republicans had agreed to that. And then after you brought that to your party and the discussion of that, the goal line was moved. Is this an example of where the goal line has

moved and that that's what has led to this breakdown in trust?

The President. Norah, what I'll do is we'll do a ticktock; we'll go through all the paper. We'll walk you through this process. What this came down to was that there doesn't seem to be a capacity for them to say yes.

Now, what is absolutely true is we wanted more revenue than they had initially offered. But as you'll see, the spending cuts that we were prepared to engage in were at least as significant as the spending cuts that you've seen in a whole range of bipartisan proposals, and we had basically agreed within \$10 billion, \$20 billion; we were within that range.

So that wasn't the reason this thing broke down. We were consistent in saying that it was going to be important for us to have at least enough revenue that we could protect current beneficiaries of Social Security, for example, or current beneficiaries of Medicare, that we weren't slashing Medicaid so sharply that States suddenly were going to have to throw people off the health care rolls. And we were consistent in that.

So I want to be clear. I'm not suggesting that we had an agreement that was signed, sealed, and delivered. The parties were still apart as recently as yesterday. But when you look at the overall package, there's no changing of the goalposts here. There has been a consistency on our part in saying we're willing to make the tough cuts and we're willing to take on the heat for those difficult cuts, but that there's got to be some balance in the process. What I've said publicly is the same thing that I've said privately. And I've done that consistently throughout this process.

Now, with respect to this breakdown in trust, I think that we have operated above-board consistently. There haven't been any surprises. I think the challenge really has to do with the seeming inability, particularly in the House of Representatives, to arrive at any kind of position that compromises any of their ideological preferences. None.

And you've heard it. I mean, I'm not making this up. I think a number of members of that caucus have been very clear about that. And—

Q. But they were willing to move on some revenues, apparently.

The President. Absolutely. The—but what you saw—and again, you’ll see this from the description of the deal—essentially what they had agreed to give on is to get back to a baseline—this starts getting technical, but there were about \$800 billion in revenue that were going to be available. And what we said was when you’ve got a ratio of \$4 in cuts for every \$1 of revenue, that’s pretty hard to stomach. And we think it’s important to make sure that whatever additional revenue is in there covers the amount of money that’s being taken out of entitlement programs. That’s only fair.

If I’m saying to future recipients of Social Security or Medicare that you’re going to have to make some adjustments, it’s important that we’re also willing to make some adjustments when it comes to corporate jet owners or oil and gas producers or people who are making millions or billions of dollars.

Wendell [Wendell Goler, FOX News]. Where’s Wendell?

Q. He’s not here.

The President. Wendell is not here.

Lesley [Lesley Clark, McClatchy Newspapers]. Is Lesley here?

National Debt and Deficit/Budget Debate

Q. Yes, Mr. President.

The President. There you are.

Q. Thank you. You’ve said that your bottom line has been the big deal, but that’s not going to happen. Are you going to be willing to go back to just raising the debt ceiling still?

The President. Well, I think I’ve been consistently saying here in this press room and everywhere that it is very important for us to raise the debt ceiling. We don’t have an option on that. So if that’s the best that Congress can do, then I will sign an extension of the debt ceiling that takes us through 2013.

I don’t think that’s enough. I think we should do more. That’s the bare minimum; that’s the floor of what the American people expect us to do. So I’d like to see us do more. And when I meet with the leadership tomorrow, I’m going to say, let’s do more. But if they tell me that’s

the best they can do, then I will sign an extension that goes to 2013, and I will make the case to the American people that we’ve got to continue going out there and solving this problem. It’s the right thing to do, and it’s time to do it. We can’t keep on putting it off.

Speaker of the House of Representatives John A. Boehner

Q. You suggested that Speaker Boehner didn’t return phone calls this afternoon. Could you elaborate a little bit on that?

The President. You know, I’m less concerned about me having to wait for my phone call returned than I am the message that I received when I actually got the phone call.

I’m going to make this the last question. Go ahead.

Stock Market/National Debt and Deficit/Budget Debate

Q. Yes, the markets are closed right now, obviously. What assurances can you give people on Wall Street? Are you going to be reaching out to some people on Wall Street so that when Monday comes we don’t see a reaction to the news that’s developing right now?

The President. I think it’s very important that the leadership understands that Wall Street will be opening on Monday, and we better have some answers during the course of the next several days.

Q. What can you say to people who are watching who work on Wall Street who might find this news a bit alarming, perhaps?

The President. Well, I think what you should say—well, here’s what I’d say: I remain confident that we will get an extension of the debt limit and we will not default. I am confident of that.

I am less confident at this point that people are willing to step up to the plate and actually deal with the underlying problem of debt and deficits. That requires tough choices. That’s what we were sent here to do.

I mean, the debt ceiling, that’s a formality. Historically, this has not even been an issue. It’s an unpleasant vote, but it’s been a routine vote that Congress does periodically. It was raised 18 times when Ronald Reagan was President. Ronald Reagan said default is not an

option, that it would be hugely damaging to the prestige of the United States and we wouldn't—we shouldn't even consider it. So that's the easy part. We should have done that 6 months ago.

The hard part is actually dealing with the underlying debt and deficits and doing it in a way that's fair. That's all the American people are looking for—some fairness. I can't tell you how many letters and e-mails I get, including from Republican voters, who say, look, we know that neither party is blameless when it comes to how this debt and deficit developed—there's been a lot of blame to spread around—but we sure hope you don't just balance the budget on the backs of seniors. We sure hope that we're not slashing our commitment to make sure kids can go to college. We sure hope that we're not suddenly throwing a bunch of poor kids off the Medicaid rolls so they can't get basic preventative services that keep them out of the emergency room. That's all they're looking for, is some fairness.

Now, what you're going to hear, I suspect, is, well, if you—if the Senate is prepared to pass the “cap, cut, and balance” bill, the Republican plan, then somehow we can solve this problem—that's serious debt reduction. It turns out, actually, that the plan that Speaker Boehner and I were talking about was comparable in terms of deficit reduction. The difference was that we didn't put all the burden on the people who are least able to protect themselves, who don't have lobbyists in this town, who don't have lawyers working on the Tax Code for them, working stiff's out there, ordinary folks who are struggling every day. And they know they're getting a raw deal, and they're mad at everybody about it. They're

mad at Democrats and they're mad at Republicans, because they know somehow, no matter how hard they work, they don't seem to be able to keep up. And what they're looking for is somebody who's willing to look out for them. That's all they're looking for.

And for us not to be keeping those folks in mind every single day when we're up here, for us to be more worried about what some funder says or some talk radio show host says or what some columnist says or what pledge we signed back when we were trying to run or worrying about having a primary fight, for us to be thinking in those terms instead of thinking about those folks is inexcusable.

I mean, the American people are just desperate for folks who are willing to put aside politics just for a minute and try to get some stuff done.

So when Norah asked or somebody else asked why was I willing to go along with a deal that wasn't optimal from my perspective, it was because even if I didn't think the deal was perfect, at least it would show that this place is serious, that we're willing to take on our responsibilities even when it's tough, that we're willing to step up even when the folks who helped get us elected may disagree. And at some point, I think, if you want to be a leader, then you got to lead.

Thank you very much.

NOTE: The President spoke at 6:06 p.m. in the James S. Brady Press Briefing Room at the White House. In his remarks, he referred to Sens. Saxby C. Chambliss, Thomas A. Coburn, G. Kent Conrad, Michael D. Crapo, Richard J. Durbin, and Mark R. Warner.

The President's Weekly Address

July 23, 2011

For years, the Government has spent more money than it takes in. The result is a lot of debt on our Nation's credit card, debt that, unless we act, will weaken our economy, cause higher interest rates for families, and force us

to scale back things like education and Medicare.

Now, folks in Washington like to blame one another for this problem. But the truth is neither party is blameless. And both parties have a