

jobs last month—the messy brinkmanship in Congress made business owners more uncertain and consumers less confident.

We know there's a path forward. Last year, I signed into law \$1.7 trillion in deficit reduction. This week's action further reduces the deficit by \$737 billion, making it one of the largest deficit reduction bills passed by Congress in over a decade. And I'm willing to do more.

I believe we can find more places to cut spending without shortchanging things like education, job training, research, and technology, all of which are critical to our prosperity in a 21st-century economy. But spending cuts must be balanced with more reforms to our Tax Code. The wealthiest individuals and the biggest corporations shouldn't be able to take advantage of loopholes and deductions that aren't available to most Americans.

And as I said earlier this week, one thing I will not compromise over is whether or not Congress should pay the tab for a bill they've already racked up. If Congress refuses to give the United States the ability to pay its bills on time, the consequences for the entire global economy could be catastrophic. The last time Congress threatened this course of action, our entire economy suffered for it. Our families and our businesses cannot afford that dangerous game again.

## Remarks on the Nominations of Charles T. Hagel To Be Secretary of Defense and John O. Brennan To Be Director of Central Intelligence *January 7, 2013*

Good afternoon, everybody. Please have a seat. As President and Commander in Chief, my most solemn obligation is the security of the American people. Over the past 4 years, we've met that responsibility: by ending the war in Iraq and beginning a transition in Afghanistan, by decimating the Al Qaida core and taking out Usama bin Laden, by disrupting terrorist plots and saving countless American lives.

Among an outstanding national security team, I am especially grateful to Leon Panetta,

I congratulate the newly sworn-in Members of Congress, and I look forward to working with the new Congress in a bipartisan way. If we focus on the interests of our country above the interests of party, I'm convinced we can cut spending and raise revenue in a manner that reduces our deficit and protects the middle class. And we can step up to meet the important business that awaits us this year: creating jobs, boosting incomes, fixing our infrastructure and our immigration system, promoting our energy independence while protecting our planet from the harmful effects of climate change, educating our children, and shielding them from the horrors of gun violence.

These aren't just things we should do, they're things we must do. And in this new year, I'll fight as hard as I know how to get them done. Happy New Year, everybody.

NOTE: The address was recorded at approximately 9:30 a.m. on January 4 in Kailua, HI, for broadcast on January 5. In the address, the President referred to the American Taxpayer Relief Act of 2012, which was approved on January 2 and assigned Public Law No. 112-240. The transcript was made available by the Office of the Press Secretary on January 4, but was embargoed for release until 6 a.m. on January 5.

who has led the CIA and our military with incredible skill. Leon, after nearly five decades of service, you have more than earned the right to return to civilian life. I'll have much more to say about Leon's distinguished service in the days ahead. Today I simply want to convey both to you and to Sylvia the eternal gratitude of the entire Nation. Thank you so much, Leon.

I also want to thank Michael Morell, who has earned the admiration of all of us who've worked with him across Government and here

in the White House. In moments of transition, he's guided the CIA with a steady hand as Acting Director, not once, but twice. And he is a consummate professional. As I said, everybody in the White House who works with him, everybody across agencies who works with him, considers him truly to be one of our most outstanding national security team members. And so, Michael, on behalf of all of us, thank you and Mary Beth for your continued service.

As these leaders know, the work of protecting our Nation is never done, and we've still got much to do: ending the war in Afghanistan and caring for those who have borne the battle; preparing for the full range of threats, from the unconventional to the conventional, including things like cybersecurity; and within our military, continuing to ensure that our men and women in uniform can serve the country they love, no matter who they love.

To help meet the challenges of our time, I'm proud to announce my choice for two key members of my national security team: Chuck Hagel for Secretary of Defense and John Brennan for Director of the Central Intelligence Agency.

Now, Chuck Hagel is the leader that our troops deserve. He is an American patriot. He enlisted in the Army and volunteered for Vietnam. As a young private and then a sergeant, he served with honor, alongside his own brother. When Chuck was hit by shrapnel, his brother saved him. When his brother was injured by a mine, Chuck risked his life to pull him to safety. To this day, Chuck bears the scars—and the shrapnel—from the battles he fought in our name.

Chuck Hagel's leadership of our military would be historic. He'd be the first person of enlisted rank to serve as Secretary of Defense, one of the few Secretaries who have been wounded in war, and the first Vietnam veteran to lead the Department. As I saw during our visits together to Afghanistan and Iraq, in Chuck Hagel our troops see a decorated combat veteran of character and strength. They see one of their own.

Chuck is a champion of our troops and our veterans and our military families. As a leader

at the VA, he fought to give our veterans the benefits they deserved. As head of the USO, he devoted himself to caring for our troops. Having studied under the GI bill himself, he helped lead the fight for the post-9/11 GI bill so today's returning heroes can get their education too. Having cochaired my Intelligence Advisory Board, he knows that our Armed Forces collect, analyze, and depend on good intelligence.

And Chuck recognizes that American leadership is indispensable in a dangerous world. I saw this in our travels together across the Middle East. He understands that America stands strongest when we stand with allies and with friends. As a successful businessman, he also knows that even as we make tough fiscal choices, we have to do so wisely, guided by our strategy, and keep our military the strongest fighting force the world has ever known.

Maybe more—most importantly, Chuck knows that war is not an abstraction. He understands that sending young Americans to fight and bleed in the dirt and mud, that's something we only do when it's absolutely necessary. My frame of reference, he has said, is geared towards the guy at the bottom who's doing the fighting and the dying. With Chuck, our troops will always know, just like Sergeant Hagel was there for his own brother, Secretary Hagel will be there for you.

And finally, Chuck represents the bipartisan tradition that we need more of in Washington. For his independence and commitment to consensus, he's earned the respect of national security and military leaders, Republicans and Democrats, including me. In the Senate, I came to admire his courage and his judgment, his willingness to speak his mind, even if it wasn't popular, even if it defied the conventional wisdom.

And that's exactly the spirit I want on my national security team: a recognition that when it comes to the defense of our country, we are not Democrats or Republicans, we are Americans. Each of us has a responsibility, Chuck has said, to be guided not by the interest of our party or our President even, but by the interests of our country.

So, Chuck, I thank you and Lilibet for agreeing to serve once more in the interests of our country.

Now, when I'm on the subject of patriots, let me say a few words about John Brennan. In John Brennan the men and women of the CIA will have the leadership of one of our Nation's most skilled and respected intelligence professionals, not to mention that unique combination of smarts and strength that he claims comes from growing up in New Jersey. [Laughter]

A 25-year veteran of the CIA, John knows what our national security demands: intelligence that provides policymakers with the facts, strong analytic insights, and a keen understanding of a dynamic world. Given his extensive experience and travels, which include, by the way, traveling through the Arabian Peninsula, where he camped with tribesmen in the desert, John has an invaluable perspective on the forces—the history, the culture, the politics, economics, the desire for human dignity—driving so much of the changes in today's world.

Having held senior management, analytic, and operational positions at the Agency, John's committed to investing in the range of intelligence capabilities we need, technical and human. He literally built and then led the National Counterterrorism Center. And he knows the risks that our intelligence professionals face every day. John has lost colleagues and friends, heroes whose stars now grace that memorial wall at Langley.

For the last 4 years, as my adviser for Counterterrorism and Homeland Security, John developed and has overseen our comprehensive counterterrorism strategy, a collaborative effort across the Government, including intelligence and defense and homeland security and law enforcement agencies.

And so think about the results. More Al Qaida leaders and commanders have been removed from the battlefield than at any time since 9/11. Their communications, recruiting, training, finances are all under enormous

strain, all of which makes it harder to plan and carry out large-scale attacks against our homeland. And our entire team, including our exceptional Director of National Intelligence, Jim Clapper, will remain relentless against Al Qaida and its affiliates.

In all this work, John has been tireless. People here in the White House work hard. But John is legendary, even in the White House, for working hard. [Laughter] He is one of the hardest working public servants I've ever seen. I'm not sure he's slept in 4 years. [Laughter] We—when I was on Martha's Vineyard, John came and did the press briefing; this is in summer, it's August, he's in full suit and tie. And one of the reporters asked him, don't you ever get any down time? And John said, I don't do down time. [Laughter] He's not even smiling now. [Laughter]

There's another reason I value John so much, and that is his integrity and his commitment to the values that define us as Americans. He has worked to embed our efforts in a strong legal framework. He understands we are a nation of laws. In moments of debate and decision, he asks the tough question, and he insists on high and rigorous standards. Time and again, he's spoken to the American people about our counterterrorism policies because he recognizes we have a responsibility to be [as] open and transparent as possible.

And so, John, you've been one of my closest advisers. You've been a great friend. I am deeply grateful for your extraordinary service. I'm even more grateful for Kathy's willingness to put up with you. And I'm grateful to both of you for your willingness to take this assignment.

Today I can say to the men and women of the CIA: In Director John Brennan you will have one of your own, a leader who knows you, who cares for you deeply, and who will fight for you every single day. And you'll have a leader who has my complete confidence and my complete trust.

As I said, the work of defending our Nation is never done. My number-one criteria in mak-

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\* White House correction.

ing these decisions was simple: Who is going to do the best job in securing America? These two leaders have dedicated their lives to protecting our country. I'm confident they will do an outstanding job. I urge the Senate to confirm them as soon as possible so we can keep our Nation secure and the American people safe.

And so, Chuck and John, congratulations.

And with that, I want to invite each of these leaders on stage to say a few words, starting with Mr. Leon Panetta.

*[At this point, Secretary of Defense Leon E. Panetta, Secretary-designate Hagel, Acting Director of Central Intelligence Michael J. Morell, and Director-designate Brennan each made brief remarks. The President then continued his remarks as follows.]*

Well, these are four outstanding individuals. We are grateful to all of them. I want, in particular, to thank Mike Morell and Leon Panetta for their extraordinary service. And I just want to repeat: I hope that the Senate will act on these confirmations promptly. When it comes to national security, we don't like to leave a lot of gaps between the time that one set of leaders transitions out and another transitions in. So we need to get moving quickly on this.

Final point I will make: One of the reasons that I am so confident that Chuck Hagel is going to be an outstanding Secretary of Defense and John Brennan is going to be an outstanding Director of the Central Intelligence Agency is, they understand that we are only success-

ful because of the folks up and down the line in these respective institutions, the folks on the ground who are oftentimes putting their lives at risk for us and are oftentimes at great remove from Washington and its politics.

To have those who have been in the field, who have been in the heat of battle, who understand the consequences of decisions that we make in this town and how it has an impact and ramifications for everybody who actually has to execute our national security strategies, that's something invaluable. It will provide me the kinds of insights that I need in making very difficult decisions, but it will also mean that these folks are going to be looking out for the people who work for them. And that's something that, I think, in these leadership positions is absolutely critical.

So I'm looking forward to working with these two gentlemen. They are going to be outstanding.

Thank you very much, everybody.

NOTE: The President spoke at 1:15 p.m. in the East Room at the White House. In his remarks, he referred to Sylvia M. Panetta, wife of Secretary Panetta; Mary Beth Morell, wife of Acting Director Morell; Thomas Hagel, brother, and Lilibet Ziller Hagel, wife, of Secretary-designate Hagel; and Kathy Pokluda Brennan, wife of Director-designate Brennan. The transcript released by the Office of the Press Secretary also included the remarks of Secretary Panetta, Secretary-designate Hagel, Acting Director Morell, and Director-designate Brennan.

## Memorandum on the National Flood Insurance Program *January 7, 2013*

*Memorandum for the Secretary of Homeland Security*

*Subject:* National Flood Insurance Program

I have reviewed your request for approval to issue notes to the Secretary of the Treasury in excess of \$20.725 billion, but not to exceed

\$30.425 billion, for the National Flood Insurance Program and am hereby granting approval for you to do so.

BARACK OBAMA

NOTE: An original was not available for verification of the content of this memorandum.