

PRESS CONFERENCE WITH MINORITY WHIP,
STENY H. HOYER

TUESDAY, JUNE 14, 2011
11:05 A.M.

Mr. Hoyer. In any event, the floor schedule today. The MilCon bill is on the floor, as you know. We expect to finish that today. We expect to begin consideration of the agriculture and rural development bill, which also has FDA and other matters. This obviously is going to be a very controversial bill. I am going to oppose this bill, like the overwhelming number of Democrats will oppose the bill. And certainly there will be a lot of discussion on this bill, not only what it does with WIC and other nutritional programs for some of the neediest people in America at a time of great stress in America where families are being stretched; the proposals made in this deal dealing with those most in need should not be supported.

In addition, there is another very egregious item in here where the Republicans are cutting very severely the budget for the CFTC, which is obviously the oversight agency which was given responsibility in the Wall Street reform bill to oversee particularly derivatives in the trillions of dollars and speculators. The President has indicated, and I agree with him, that the price of oil and gas at the pump is largely due not to supply but to speculation. Most of those speculators do not expect ever to take the product, they are simply betting, and that is driving up the price for consumers at the pump.

The inability of the CFTC to effectively oversee this extraordinarily large market and be cut back to levels less than they had before is taking once again the referees off the field. Taking

the referees off the field, which was not solely Bush's problem, but also in the Clinton administration, the referees were not put on the field, notwithstanding the fact that Brooksley Born wanted to put them on the field overseeing the derivatives market. That failure was in significant part responsible for the meltdown we had in the financial community. We ought not to repeat that, and we ought to be diligent in not doing so. Unfortunately, the bill, the ag bill that is going to be on the floor, again, returns to taking the referees off the field.

In addition to that, this week, I think, it is tentatively scheduled, was scheduled to go to Rules Committee today, the America Invents Act, otherwise dealing with patent reform. That has now been delayed. We are not sure exactly whether or not that bill will be on the floor this week. There are obviously some controversy about it. I must say something about that in just a second. We continue to focus on Make it in America. We believe very strongly that we ought to be focused on jobs, we ought to be focused on strengthening the economy, investing in education, in infrastructure, in innovation. As the President said, as we have said, we believe the Make it in America agenda does that. I will continue to work with our Republican colleagues. Contrary to my friend, Mr. Cantor's representation in a missile to his members over the last week that they had been focused like a laser on jobs. In fact, we believe that there has been no substantive job legislation on the floor. Mr. Cantor will disagree with that, but we believe that the failure to address economic growth issues, jobs issues, is one of the failures of the first 6 months of this session

of the Congress.

We would hope that that would be cured, would be turned around. Now, I want to say on patent reform, we believe that patent reform is very much a part of the Make it in America agenda. We welcome that bill on the floor, notwithstanding the fact that there is a controversy to it. It is obvious that we need to get our patent reform backlog taken care of, and it is also obvious that we need to have a patent system that works compatibly with the rest of the world and works in an efficient manner to encourage invention, innovation and development of new products and new technologies.

On the debt limit extension we continue, I continue to be concerned, I think all of us ought to be concerned about the continuing failure to pass a debt limit extension. As you know, a couple of weeks ago we had a debt limit extension offered that was offered for the purposes of failing. I voted against it, not because I was against it in principle, in fact, I was for that and would have voted for it if it was intended to pass. Unfortunately, it was designed as simply a political message to people that we are not for increasing the debt. Unfortunately, that is not a message that is consistent with either uncertainty in the markets or stability in the markets. To some degree, I think it has caused additional insecurity in the markets which has undermined our economy.

Standard & Poor's said, and I quote, if an agreement is not reached by the time we run out of money, it will have a very substantial effect on the rating, and we will, quote, lowering the Nation's fiscal outcome

to negative for the first time. Moody's said it might downgrade the United State Government's sterling credit rating if Congress did not increase the Nation's debt in the coming weeks. Fitch ratings said that, and I quote, "It would put U.S. debt on watch for downgrade in early August in the event that Congress failed to lift the debt ceiling before other measures aimed at avoiding default are exhausted."

So that it is clear that those who follow the creditworthiness of the United States are concerned. Speaker Boehner indicated that we needed to do that by the end of this month. I believe he is absolutely right. We ought not to wait until July and we ought to act within the next 10 days to make sure that the markets know that America is going to pay its bills and that we will lift the ceiling to allow for that to happen. I believe that we must move along a parallel track. If we can do it together I am for that as well. But certainly, a very strong parallel track to address reducing the deficit and having a long-term plan to reduce the debt. I think that is critical. I think that the Biden group is working very hard toward that objective. They are meeting three times this week. I am hopeful that they will come up with some very substantive recommendations in the near term.

Lastly, let me talk about Medicare. Clearly, I think what we have learned from the proposal that was made by the Republicans, in effect, turning Medicare into a voucher program, was the American people believe that is a bad idea. I share that view. I think that the American people overwhelmingly believe that Medicare lends security to their lives and stability to their families and they want to make

sure that Medicare is not turned into a system that will make their costs go up drastically over the next few years.

Clearly, we also think it is a perverse proposal in a budget to say on the one hand you are going to increase by some \$6,000 plus costs for prescription drugs for health care generally -- excuse me, broader than that, while at the same time decreasing the taxes of millionaires by an average of \$200,000. That means that 33 seniors are paying increased Medicare costs so that one millionaire on average can receive a \$200,000 tax break. We think that is neither good economic policy nor sound health care policy. In addition, of course, that proposal cuts benefits for today's seniors both by reducing substantially the assistance in the donut hole eliminating what we effected in the Affordable Care Act.

In the Affordable Care Act, of course, we had substantial savings effected in health care costs generally, which are exacerbated by the Republicans in increasing health care costs and Medicare under the budget. All right. Let me stop with that and go to you.

Q Have you thought about getting the debt ceiling done in ten days or so?

Mr. Hoyer. You mean the debt limit extension?

Q Yeah. Any increase, I am sure will be smaller than the amount of spending cuts that are agreed to. Given that, it just seems unlikely that you can get to an amount that will get you through the election next year. So I guess what I am asking is, is there like more than one step to this process here of doing the debt ceiling, but also

likely some sort of, isn't it unlikely that that is going to be the end of this issue until the election?

Mr. Hoyer. Let me say first, if you put aside the politics of this issue, I frankly think if you have got Republicans and Democrats in the room and said, look, in terms of economic stability, in terms of business confidence, in terms of growing jobs, what would make the most sense, I would think almost everybody would agree to giving the certainty of having another 24 months of stability and not having the doubt as to whether America is going to pay its bills.

Now, the politics of it are more difficult than that obviously. This issue is largely about the politics because this is about paying money that we have already incurred liability for. I am hopeful that we will reach agreement that will allow us to move a debt limit extension beyond the election so that we take it out -- we depoliticize it, we take it out of the politics. We all know that ultimately, and Mr. Cantor and Mr. Boehner said this, that America is going to pay its bills. But if we don't adopt a policy to ensure that, the markets are good, so that when you say it is unlikely the Biden group is working very hard, and I think their objective is a \$2 trillion objective, which is of course approximately what you need to increase the debt limit to get to January of 2013. So I think they are working very hard to get to that objective. And I am optimistic, mainly based upon Mr. Cantor has made some very positive statements on the seriousness of the purpose that all parties in those talks are displaying, and I think that is a good sign.

Q Mr. Hoyer, you talk about trying to do this in ten days or something. Isn't the problem though on their side of the aisle because they have to sell some sort of a package, it might not be the same bill according to Mr. Cantor, but they have to sell some sort of package to their rank and file, many who are elected under the tea party banner who said don't you dare raise the debt ceiling. Isn't the onus on them to package this and sell this to their caucus and that is the holdup?

Mr. Hoyer. They clearly -- I don't know if I would use the word onus. They have the responsibility and the burden of doing this. If we are going to be responsible John Boehner referred to this as an adult moment. I said that, as you recall, maybe you didn't recall, maybe you didn't see it, but I said that this was not an adult moment a few weeks ago. Why? Because we weren't serious, and we all knew we weren't serious. It was political theater, it was a message that we are not going to increase the debt without having cuts of sufficient quantity. I hope we can reach an agreement on the fiscal restraints and bringing the deficit and the debt down, debt being long-term, deficit being short-term. If we can't I think we need to increase the debt in any event because America is going to pay its bills.

And I think Americans share that value of fiscal responsibility. I have indicated to the Republican leadership and was clearly demonstrated on the floor that Democrats are prepared in very significant numbers to join with our Republican colleagues. We are not prepared to be put in a political corner, but we are prepared to act responsibly. And I think that the Democrats will provide certainly

well over half of our caucus, assuming that the Republicans are prepared to share their share of the burden and responsibility for making sure that America pays its bills.

Q Are you fearful though that when that vote comes up that Democrats could be carrying more water on this than the Republicans, that is the fear?

Mr. Hoyer. Well, I think, you know, I don't know it is concern, I think that this is one of those matters that is tough and is subject to political demagoguery, as I have said in the past, and therefore the way you responsibly deal with that is to deal with it together, and make it clear to the American people that this is a responsibility on my shoulder, not a popular one. And in addition to shouldering that responsibility, we must share together the responsibility of bringing down the deficit and bringing down the debt.

Q Will you insist, sir, that -- will House Democrats insist that when the Biden group comes forward with a down payment, a debt ceiling increase with a down payment of \$2 trillion or perhaps even \$1 trillion figure the Vice President mentioned and revenue increases be part of that initial installment, that initial deal, because you can see a prospect holding out for no tax increases to have it cover the debt ceiling or maybe it is left on the table for later talks?

Mr. Hoyer. I frankly think that there is a broader view than you might think, that revenues need to be a part of any effort to bring down the deficit and the debt. You won't get there simply with cuts. We are now at the, I think it is 15.8, but it is in the 15-point-something

percentage of GDP that we are getting in receipts revenues. That is at the lowest point in time since the 1950s. You cannot solve a very substantial fiscal problem without bringing revenues up. The Commission, the Bowles-Simpson Commission, of course, talked about revenues in the range of 20 or 21 percent of GDP. So the answer to your question is we expect revenues to be a part of any solution. Vice President Biden has made that very clear, the President has made it clear, and so our expectation is that it will be part of any solution.

Q Mr. Hoyer, it does appear that the Congress is moving at a snail's pace. You said there is no substantive job legislation. The Senate appears to be in a perpetual quorum call. You guys are here a couple weeks and gone. And Senator Reid emphatically says that it is all driven by presidential politics, and that Republicans don't want the Democrats to show that they have made any accomplishments at all. So if it is a do-nothing Congress, how can you run on not having accomplished anything?

Mr. Hoyer. Well, I think Harry Truman did it pretty well.

Q That is your answer?

Mr. Hoyer. I think that the President and ourselves, we had a very do-something Congress. There were people who disagreed with what we did. But there was no doubt even in face of vigorous Republican opposition in the United States Senate, trying to stop things from happening, we got a pretty successful Congress. You can disagree with what we did, but you can't say that we were a do-nothing Congress. The Republicans have now taken over. And I think what we have seen is a

promotion of an agenda which does not enjoy the broad support of the American people and certainly does not enjoy consensus support or majority support in the Congress. Newt Gingrich, and you have heard my talk about his perfectionist caucus speech. But the bottom line in his perfectionist caucus speech was, look, we have got a Democratic President, Bill Clinton, we have got Republican Members of the U.S. Senate that don't agree with our agenda in the House, and you got Democrats in the House that don't agree with us and the American people expect us to work together.

The only way you are going get action is to work together. But I think it is ironic for some to criticize, some of our Republican friends in the United States Senate, to criticize Reid for not getting things done when they continue, because they have 40-plus votes, to not allow things to move forward because there are not 60 votes for things.

Q Mr. Hoyer.

Mr. Hoyer. But I think that sounded to you like a simplistic answer, but I think the President of the United States, who believes that we need to compete with the rest of the world, build jobs, expand manufacturing, reform taxes, bring our deficit down, we need to reach bipartisan agreement to get that done when you have a Democratic President, a Democratic Senate and a Republican House. It is incumbent upon all of us to work together. To the extent that we don't do that, you are not going to get the kind of effort and action that we need.

Q If I could just follow, in the end it is all about jobs?

Mr. Hoyer. In the end, it is all about the economy and jobs, yes.

Q And if you don't achieve anything in that direction, then who loses that?

Mr. Hoyer. Well, we took very substantial action in the last Congress to try to get the economy moving. The economy was moving. The economy is still moving. It is moving way too slow. When I say still moving, we created 82,000 private sector jobs last month. As you know, you need 125 to stay even so we didn't stay even last month. That is not acceptable. But we have created 2 million jobs over the last 16, 18 months. So it is moving, but moving way too slowly. And because it is moving too slowly, confidence is ebbing. We have had three major events that have occurred that have obviously hurt us as well, which were not the responsibility of the Congress, Democrats, Republicans or the president; the Middle East which has created great concern about energy supply, Japan which created great disruption, I forgot what I was going to do on the third one. I have it in my mind. It will come to me in a second.

Q Disaster relief?

Mr. Hoyer. I had something else in mind.

Q Taxes?

Q The EU?

Mr. Hoyer. The EU. The strong economic distress in Europe. So that all of that together has -- but those three have impacted as well as our fiscal issues. And that is why it is so important for us to address the debt question and the deficit question, and we need to do

so either in one step, two, three or four steps, but one of the things that we must do, and I agree with Speaker Boehner, before this month ends we need to do something on extending the debt. If we can do it with deficit and debt reduction at the same time, fine. If we can't, we still have no alternative but to increase the debt limit. Let me say, because I think it is important, my view is that if we pass the debt limit extension as a freestanding bill, that will not relieve the pressure to deal with the debt and deficit. I believe that is a crisis, in and of itself, whether or not we had any issue with respect to the debt limit. We cannot sustain the deficits that we are incurring on an annual basis. They must be dealt with. But one of the ways you have to do it, of course, is to grow the economy, so you can't -- you got to walk and chew gum, if you will.

Q Yesterday Leader Cantor suggested that there will be trillions of dollars in savings from Medicare and Medicaid aside from the Ryan plan. Do you think there are such savings achievable and what things do Democrats propose, for instance?

Mr. Hoyer. I am not going to get into a specific proposal for this reason. I think what we have learned from the Ryan effort, from the Bush effort on Social Security, and other efforts that have been made, unilateral propositions do not work. What worked was when O'Neill and Reagan got together, when Gingrich and Clinton got together on the budget, and Bush won and Gephardt got together on the budget deal of 1990, whatever we do, I think we need to do together to give it credibility and viability, if you will.

So that I think what we need to do is what the Biden group is doing, what the other groups have done, what the Commission did, come together and try to come to an agreement on how we go forward, because that will give it the credibility to have some viability. You are going to get the last question?

Q Mr. Hoyer, when will the Democratic caucus itself decide what, if any, action to take against Mr. Weiner to get him to resign?

Mr. Hoyer. There has been no decision on that. What I said on Sunday was that, as you know, yesterday, Mr. Weiner asked for and got a leave, as is accorded to Members as a course, and he is now hopefully considering what action he ought to take. As I have said on Sunday, I believe it would be very difficult with him to proceed given the circumstances, and I hope that he is seriously considering taking a course that will take him out of this context and get him to deal with this and deal with his own personal life and not be burdened by being a Member.

Q Do you want him to quit, are you asking him to quit?

Mr. Hoyer. I am not going to go beyond what I have said on Sunday. He is taking a leave. I am sure he is considering this and we will see what action he takes.

[Whereupon, at 11:30 a.m., the press conference was adjourned.]