PRESS CONFERENCE WITH MAJORITY LEADER,

STENY H. HOYER

***

Wednesday, January 7, 2009

11:05 a.m.

Mr. Hoyer. Good morning. Happy New Year to everybody.

Sorry I am a little late.

I presume we are ready. Welcome back.

We had I think a very eventful day yesterday, eventful in the sense that we repeated the historic effort that we made 2 years ago and swore in the first woman Speaker to her second term as leader of the House of Representatives.

I thought it was, again, compelling that she invited all the children on both sides of the aisle up to the podium. Not only was it a wonderful photo op, I thought, but also I think a very good statement of priorities focused on our children.

In that regard, I think it is a stark difference that confronts us today and confronted us 8 years ago in terms of where our country is; 8 years ago, our country was economically in excellent shape. In the last year of the Clinton administration, we created 1.9 million new jobs in America. This year, we have lost 2 million jobs. For this past year, we lost 2 million jobs. That is a 4 million job turnaround; 1.9 that weren't created, 2 million that were lost. Our people are experiencing that pain.

Financial institutions, confidence in the economy, retail sales, housing, there is not a criteria of comparison between 2000 and now, 2008, that doesn't show the failure of this, of the Bush administration to produce what they said they were going to produce by their economic program. In fact, just the opposite is

occurring. We are experiencing our worst economic times since the '30s.

The deficit has exploded. President Bush inherited a $5.6 trillion budget surplus. You have a handout in front of you which makes some of the comparisons. Unemployment, there were 5.7 million unemployed people in 2000; 10.3 million unemployed today. And that figure belies the fact that there are substantial millions of people underemployed, that is who are working part time who want to work full time, need full-time employment but can't find full time employment.

Jobs created under the Clinton administration, 22.7 million new jobs were created in the 8 years of his presidency. Less than one-quarter were created in the last 8 years under this President and, in fact, 2 million lost this very year. That is a difference of about an average of 2.7 million or 2.8 million a year under Clinton. Now you need 100,000 jobs per month created to stay even in America. That is 1.2 million jobs. So under the Clinton administration, an average two and a half times that; under the Bush administration, 625,000, give or take, a year less than the amount necessary to stay even in America.

So, again, there is all of this combined is high deficits, five highest deficits in history under this administration, and rather than a $5.6 trillion surplus that the Bush administration said we had -- it was their projection, not Clinton's projection -- we now find ourselves, if you are comparing apples

to apples, with over a $6 trillion deficit picture confronting us. So, we have taken the national debt from -- just about doubled the national debt in 8 years.

The Obama administration will be sworn in a few days from now, perhaps some of the most difficult circumstances that a new President has taken office, that we have seen, again, in the last half century; two wars, substantial instability in the Middle East, to say the least, and an extraordinary economic crisis here at home. In that context, we intend to first address ourselves, as all of you know, to a very substantial economic recovery and reinvestment program, key provisions of which I think are pretty well known to you, but a major provision of which will be tax relief for working Americans. Some 95 percent of Americans, it is our expectation, will get tax relief under the economic recovery and reinvestment program that we hope to adopt in the near future.

We will talk about infrastructure. We will talk about investment in education and health care, all of which will be directed at either creating jobs, stimulating the economy, assisting States in making sure that the safety net for those who have been substantially adversely affected by this economy are helped, whether it is unemployment insurance, food stamps, medical availability of health care.

The Democratic agenda in the short term, as you know, today we have done three pieces of legislation. I don't know whether the lights are out. Are we in recess now? Did we get in recess?

We are in recess -- thank you -- until 12. I think we have a hearing going on, as you know, by the Steering and Policy Committee on the stimulus package. There will be hearings by the committees by the way, as well. You may have asked me that question. I anticipated it. And we adjusted so that Senator Salazar can make his salary.

Thursday we will not be voting. We will not be voting because it takes 3 hours to sweep the Chamber. We go in at 10; it takes 3 hours to sweep the Chamber, and then the electoral college will count the votes or announce the votes. We have to sweep the Chamber because the Vice President will be here. We will have a joint session of Congress for that purpose.

And then, on Friday, we intend to do two bills that deal with pay equity and also with the ability to redress the pay discrimination, which is illegal, of course, but which the Supreme Court put an unduly restrictive requirement on employees to bring their case within a certain time frame, notwithstanding the fact it was impossible for them to find out what the disparity was. Furthermore, it adopts the premise, which I think is accurate, every week that somebody is paid and it is in a discriminatory fashion, that is a new discriminatory event so that any statute of limitation would run from the last pay period, not from the first pay period, which seems to us to be very fair.

I will make this comment on the floor, but we had 20 women Members of Congress vote against the Ledbetter bill. And I am

wondering whether any of those 20 would want to make $140,000 as opposed to $165,000. My thinking is they would feel discriminated against if we passed such a statute. We will see what happens when the bill comes up on Friday.

Next week, I expect to have on the floor the Tanner audit bill requiring the audit of every agency to make sure that the taxpayers' money is being spent properly effectively and efficiently. The Obama administration intends, as you know, to pursue that objective as well. Also, I hope to have next week as well on the floor the SCHIP bill that we passed through the House last year, passed through the Senate last year, and was vetoed by the President; it was passed, as you know, with over two-thirds of the Senate and 45 Republicans in the House voting for it. So it was a very bipartisan bill. We believe that bill will not be vetoed by Obama, and our expectation is that that will become law hopefully in the near term.

In addition, Barney Frank is working on legislation to require transparency and accountability of any TARP additional funding, and in addition to that requirements that substantial sums be used for mortgage relief. That has not happened in the way that we think it should have, and Chairman Frank is concerned about that. The Speaker and I are very concerned about it, and Members are very concerned about it.

So that is what we see. In the longer term, of course, as you all know, we are going to be addressing in the longer term top

priorities of the Obama administration and of the Democratic Congress: health reform, comprehensive reform, so that every American has available quality affordable health care; energy legislation, so we become energy independent; global warming and climate change legislation, so we can have a sustainable environment; in addition to that, national security; and there will be investment in education. We are not going to have long-term economic well being if we don't have investment in education.

And lastly, while this will not happen in the short term, the Obama administration has made it very clear and President-elect Obama made it very clear yesterday, and I have reiterated this, the Speaker has reiterated this, that we are going to pursue in a considered and effective way of getting us back to a place of fiscal balance, by exercising fiscally responsible policies. That, obviously, will not be possible in the short term given the deep distress our economy is in and the need, perceived by every economist, conservative, moderate, liberal, Democrat, Republican, that we infuse the economy with stimulus, which will incur deficit spending.

Okay, I will stop. Your turn. I took longer than I should have. I will be severely criticized by my senior advisor and communications director. When I walk back in the room and say, how did it go, she will say, you talked too long.

Q What specific tax provisions do you want to see, and

when will the markup be on this?

Mr. Hoyer. I think the markup will be soon. I am not going to give you a date, next week, week following. The President has said -- I said on Sunday, a Sunday talk show that I was on, that I believe that it was important for us to pass this prior to the President's Day break. I think we were somewhat unrealistic, given the complexity, that we could pass this before in the these 2 weeks. And that was not realistic. The package is a complex one, and we need to do it right. We need to make sure that we have the money distributed in a way that will effect the end we want.

So we don't have a final package yet. But as soon as we have a final package, it is my expectation that we will have hearings on the tax provisions.

As I said, tax provisions are going to be tax provisions which will be in effect immediately, upon signing of the bill and maybe some time for the IRS to accommodate physically getting, but ASAP, a tax cut which will be reflected in the paychecks of working Americans; we believe some 95 percent will receive a tax cut of anywhere $500, up to $500 per individual and $1,000 per couple.

Q Are these going to be Ways and Means hearings and markups or special leadership hearings and markups?

Mr. Hoyer. No, I would expect the committees to have hearings.

Q Which committees?

Mr. Hoyer. On the tax provisions, Ways and Means.

Q Approps?

Mr. Hoyer. Appropriations.

Q Oberstar's committee as well with the infrastructure business?

Mr. Hoyer. Oberstar has had a number of hearings. I haven't discussed it with him. But, again, I expect there to be hearings.

Q Is there a problem in the selling of this because some of the folks who would get the rebates, whatever you want to call these tax breaks --

Mr. Hoyer. They are not rebates. They are tax cuts. There is a difference. There is not going to be any lump sum sent out to anybody. What they will get is more dollars in their paycheck on a basis as soon as possible as that can be effected in an ongoing basis.

Q What but what the President-elect proposed some folks who don't pay because of their income levels may essentially be getting something?

Mr. Hoyer. That is accurate. It will be refundable, yes.

Q And isn't there maybe a bit of a problem in the sell of this because some of those, quote, tax cuts are portrayed as tax cuts; the folks that be will getting those checks, or whatever you want to call them -- that effects the size of the package?

Mr. Hoyer. I am going to be hazy because the specific

provisions on that I have not seen. I have not seen them so I can't tell you the exact configuration of that. The overwhelming majority, however, will be in the form of tax cuts to working Americans. As I say, 95 percent of working Americans will get a tax cut.

Q Mr. Leader?

Mr. Hoyer. And that will be a substantial part of the tax component.

Q Mr. Leader, you said that fiscal reform is off the table in the short term --

Mr. Hoyer. No. No. No. I didn't say it was off the table. Fiscal reform, I am not -- the President-elect indicated yesterday in his statement that fiscal responsibility, fiscal discipline is very much a part of his focus and would be very much a part of his agenda. I have indicated, we have all indicated, the Speaker has indicated, very much a part of our agenda.

What I simply said was that, in the short term, because of the crisis we confront, we will not be able to meet PAYGO requirements but that that does not mean they have been abandoned. It just means the reality is, at this point in time, we will not be able to effect them.

Q The Blue Dogs and some other Democrats want an authorization for a fiscal reform commission to be included in the stimulus bill. Is that something you support?

Mr. Hoyer. That has been discussed. I doubt that we will

get into the debate about that in the stimulus package. I believe we will get into that debate. And I think the administration intends to include, not specifically on the items you mentioned but the issue, in their budget submission.

Q Mr. Leader, Senator Inhofe and Senator DeMint are expected to unveil a piece of legislation in the Senate today that would permanently ban on the fairness doctrine. Do you think that Democratic leadership is going to bring up Mr. Pence's broadcaster freedom act at any point this year?

Mr. Hoyer. That has not been discussed. And I don't contemplate it, but I have not discussed it with the committees. A lot of discussion on the other side about the fairness doctrine; less discussion on our side, I mean that has not been a major item.

Q Mr. Leader, you mentioned approps bill. Do you see that happening in an omnibus before President's Day break or after?

Mr. Hoyer. On the omnibus, as you know, there are nine bills we have not yet completed. I want to complete those sooner rather than later. I have talked to Mr. Obey about it, and interestingly enough, I have talked to Senator McConnell and to Ranking Member Lewis about it. I think there pretty much is a meeting of the minds, not on specifics -- I don't want to say there is a deal, but I think there is a meeting of the minds that we ought to pass those bills, pass an omnibus in the near term. And I am hopeful we will do that, and I am working with Mr. Obey to try to effect

that in, and I have talked to, I have talked to the administration, the administration-elect about that.

Q Mr. Leader, in regard to the stimulus package, there has been a lot of talk of energy proposals in there as well. What kind of energy proposals would you support being included in the economic recovery package?

Mr. Hoyer. Well, again, I don't want to go into specifics because the bill, as you know, is still in the formative stage, but clearly, with respect to energy, there are a number of issues that we believe will impact jobs and economic growth as well as impacting energy issues. Weatherization is one of those that deals with creation of jobs but also conservation of energy. The grid obviously is a concern in terms of infrastructure. Broadband is another issue that is being discussed. There are others, but I don't want to go into specifics what I would or would not support. Clearly, again, our belief is that we can accomplish a number of things in this bill: One is job creation, and one is job creation in positive areas that will meet long-term needs.

Q And everybody agrees on reducing the deficit, but we have the current economy, and it is a long-term issue, but what --

Mr. Hoyer. I don't know that everybody agrees on --

Q The need maybe to reduce?

Mr. Hoyer. Dick Cheney said that Ronald Reagan taught us that deficits don't matter.

Q Most of us --

Mr. Hoyer. But I make that as a very serious point.

Republicans proceeded over the last 8 years as if deficits didn't matter. They didn't want to pay for AMT. They didn't want to pay for the war. They didn't want to pay for other things that they pursued in spending money, but they didn't want to pay for it. And that has been our problem. That is why we have dug such a deep hole. Now we have a crisis where there is sort of universal, perhaps universal is too strong a word, but overwhelming consensus that we need to deficit spend to try to get the economy moving, but I don't want to --

Q Does that mean deficits don't mean quite as much at this time?

Mr. Hoyer. I think deficits in the present context will be compounded if we don't act.

Now let me tell you what I mean if that sounds like gibberish. Economists, the CBO and others tell us, okay, fine, you don't spend $500 billion to get the economy moving, your economy is going to implode and it is going to cost you $500 billion of revenue. In other words, it will be a net. You either spend it and stay even or try to grow, or you don't spend it and you continue to tank. So what I am saying is, in the short term, the consensus is, you have got to try to spur this economy. That will create deficits. We don't have any surpluses to do that with --

Q That is a long-winded way of saying deficits don't

matter quite that much, at least at this time?

Mr. Hoyer. All right.

As Barack Obama told Hillary Clinton, you like that word better, fine.

But what I am telling you is, deficits matter. Deficits don't matter less today. I would prefer that we didn't have deficits. But what I am saying to you is, in a crisis economically where your economy is tanking, deficits are required so that you don't tank further and have greater deficits and greater economic dislocation.

Q Mr. Leader, just to follow that up then. What long term --

Mr. Hoyer. That may be long-winded but I think accurate.

Q Long term, what might be the strategy?

Mr. Hoyer. Well, PAYGO, we need to continue to pursue and enforce PAYGO. I think we are going to have to look at spending. I think we are going to have to make sure that we are spending money wisely. President-elect Obama has made that very clear in the debates, in his campaign, that he wanted to do that. I share that view. We need to pursue that.

I think we are going to save money in Iraq, but I am not sure we are going to save money on defense generally, but I think we do need to reorganize for defense and spend effectively for the challenges that are out there. I think we have a lot of work to be done.

But I think we need to proceed on the theory that deficits in fact do matter, and we want to eliminate them, but we have no illusion that eliminating them in the near term, given what we are inheriting from the Bush administration, will be impossible in the near term.

Q Sir, when the Republicans ran the House, they provided very little in the way of oversight of the Bush administration. And as the President's policies or management of those policies fell out of favor, they were easily painted as enablers and complicit, and it hurt them in the past couple of elections. What are you guys doing to ensure that doesn't happen in this case, that you all aren't so enamored of Obama or supportive of Obama that you sort of lose the check and balance aspect of your job?

Mr. Hoyer. [Indicating with newspaper.]

Q [Reading.] "I don't work for Obama."

Q But saying you don't work for Obama is a different thing than -- I mean, you have oversight in place that may or may not be the case.

Mr. Hoyer. Under the Clinton administration, when Democrats -- as I told you, I have been here -- I don't know whether you were at the press conference or pen-and-pad when I said this, but I have said it a lot of times. I have been here 29 years. Democrats were in charge for 2 years, up until today; that was of course in 1993 and 1994 when we had the presidency, the House, and the Senate. Only 2 years we have done that since I

have been here. We are now in the third year of that. In those 2 years, we had more oversight hearings of the Clinton administration than were held in the 6 years of the Bush administration, first 6 years of the Bush administration. The reason I point this out is while I think this is sort of a sensational headline, I have called the last, the Republican Conference complicit and complacent. Complicit in what was done and complacent about oversight. I think that was wrong. We have an Article I responsibility to have oversight of the executive department, whether they are Republican or they are Democrats. That is why you saw more oversight hearings in 2 years than you saw in 6 years, because we believe in that.

And what this reflects is, I am very excited about President-elect Obama being president of the United States. I share his values. He shares mine. We share objectives. But my role is, as an independent Member of the Congress of the United States, to ensure that the executive operates consistent with the policies set under Article I by the Congress of the United States and honestly. And we intend to do that and will do that, and I think you are going to see that reflected.

Now, I can say that, but talk is cheap. You have got to walk the walk. And hopefully we will do that, and I think we will.

Q You talked about all the problems that the new President and the new administration is going to face, and you also talked about the fact that you have been here for 29 years, so you have

seen Reagan come in and both Bushes and Clinton. Do you sense that this guy is going to get a short honeymoon, a long honeymoon? And what do you think is going to determine whether or not it is short or long?

Mr. Hoyer. I think we had a very positive meeting joint leadership Republican and Democrat Senate and the House 2 days ago. We met for an hour I guess, about. It was over an hour. Good discussion, Mr. Boehner and Senator McConnell both participated. Senator Kyl and Mr. Cantor. And the President-elect made it very clear he wants to work in a bipartisan fashion.

I will be meeting with Mr. Cantor, I am not sure exactly when, in the next few days. He and I have talked. As you know, I had a close relationship with his predecessor, still have a close relationship. I am going to be talking to Roy Blunt about his thoughts on how we can effect that.

I am hopeful and believe that what Republicans certainly expressed to the President-elect that they wanted to do that, but again it is the walk that counts, not the talk. And I think, given the depth of the problem or the magnitude of the problems confronting us, I think there is an expectation by the People that Republicans and Democrats will work together with the President to confront these very serious challenges.

Q Does that mean that he can have the same kind of success that Reagan had in his first year?

Mr. Hoyer. If some Republicans are as cooperative as some Democrats were, the answer is yes. Good answer, huh?

Q What time do you think last votes will be on Friday?

Mr. Hoyer. The question on every Member's mind.

My intention will be on Friday to get us out by 2 o'clock. My intention.

Q Mr. Hoyer, how much of the TARP will be delayed? How quickly will that proceed?

Mr. Hoyer. I think the Frank legislation is going to speak to transparency and accountability as well as mortgages. I think those are the three items that Frank will be focused on and I hope to see us pass prior to the consideration. If no real questions come down, my expectations, no requests come down this week, I hope that is the case, so we will have that legislation for Members to vote on because I think there is great concern about making sure that there is accountability, there is transparency and that taxpayer money is not being used to simply enhance what has happened with apparently some of the Merrill Lynch money where this guy got $25 million and bought himself a $27 million condo on Park Avenue, which angered the living daylights out of me and I am sure every American who read it. That is not what this money is to be used for.

[Whereupon, at 11:25 a.m., the press conference was concluded.]