

PRESS CONFERENCE WITH MAJORITY LEADER,

STENY H. HOYER

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Thursday, January 22, 2009

12:00 p.m.

Mr. Hoyer. Let me open with a quote from the inaugural speech of President Obama: "Today, I say to you that the challenges we face are real; they are serious; and they are many. They will not be met easily or in a short span of time. But know this, America, they will be met."

That is, I think, not only the President's conviction, but it is the conviction of the Democratic majority in the House and in the Senate and I hope the conviction of our Republican colleagues as well.

And in that spirit, we know that we face some very, very serious issues, but I believe that we will face them successfully. Certainly that is my hope. And I know it is the hope of all Americans who understand that we have very serious challenges and that we need to face them honestly and with courage.

Okay. Obviously this week has been an historic week. We recognized Martin Luther King's birthday, which of course was January 15th, but we recognize it on the 19th. And we remembered his dream, and on Tuesday, we saw the realization in many ways of that dream. So the juxtaposition of Martin Luther King's day of remembrance and rededication followed by the inauguration of the first African American President in our history has got to go down as one of America's most historic weeks.

Yesterday we passed a bill which hopefully the Senate will pass and send it to President Obama dealing with making more accountable and transparent the second tranche of the \$700 billion

package that we passed last year. As I said on the floor today, both President Bush and President Obama believe that it is necessary for us to give to the administration that authority. And as a result of the Senate's vote last week, that was done.

This week's vote is somewhat symbolic and moot to the extent that it obviously will have no effect because the Senate has already acted, and it will take both Houses to disapprove and the President to sign the resolution of disapproval for that disapproval to occur. That obviously will not happen.

Today, obviously, we're going to end after this vote on the motion to disapprove and then go until next Monday. There are no votes expected in the House tomorrow.

The TARP Reform and Accountability Act, which will restore Congress's original intent for TARP to address the direct causes of the financial crisis. As you know, in that bill, we dealt particularly with mortgages, as well. And we refocus our TARP program on restoring the flow of credit including tough conditions on taxpayers' dollars. We built in oversight but we believe, as a result of its operation, it was not strong enough.

As I said, I am very hopeful that bill will be processed and passed by the Senate and sent to the President. The good news is that President Obama has indicated to Chairman Frank -- or at least members of his administration have -- that they intend to follow the principles enunciated in that bill.

In terms of economic recovery, as you know, next week's

schedule primarily will be -- there will be suspension bills, and there may be some other pieces of legislation -- but primarily what we will deal with next week is the Recovery and Reinvestment Act. This President, this country, is now confronting the deepest economic recession and economic hole that we've had since the Great Depression, over 65 years ago -- almost 70 years ago. Actually, 70 years ago. And it is necessary for us to respond.

I believe the President was accurate when he observed that we need to address these issues, but over the longer term, we need to also focus on fiscal responsibility, fiscal balance and entitlement reform. As you know, the President has said he is going to schedule a forum on fiscal responsibility and fiscal issues in the near term which I expect to be in the next 4 or 5 weeks. The fiscal responsibility summit being organized is, I believe, a constructive step to begin the dialogue.

Now, I want to call your attention to the very long document -- we haven't handed out the document, but you probably have seen it put out by Mark Zandi. Mark Zandi, of course, the chief economist at Moody's, economist.com, and more importantly, for the purposes of looking at things from different perspectives, was one of John McCain's chief economic advisers.

He says, I just want to quote briefly: The House stimulus plan will not reverse the current recession, but it will provide a vital boost to the plight of the economy. He says the mix of tax cuts and spending increases in the stimulus package -- which we

call the recovery and reinvestment package -- is designed to produce both quick relief and substantial boost to the struggling economy.

He then adds: Only concerted, comprehensive, consistent government action will instill the confidence necessary to restore financial stability and restart economic growth.

He doesn't conclude, but I will conclude in quoting his remarks: The \$825 billion package, 2-year fiscal stimulus plan proposed by House Democrats is large enough to provide a substantive near-term boost to the economy but not so large as to result in measurably higher interest rates.

Bottom line, he thinks our package is just about right. I will say to you that the package, obviously, was forged as a result of extensive discussions with the previous administration, with the present administration, with economists on the right and on the left. And I think we have, as Mark Zandi says, tried to construct a balance of tax cuts and of spending which will boost our economy, which is facing such trouble.

Boosting our economy will obviously be of great assistance to the States, to our people, and hopefully ensure the pulling out of the deep trench which was left to us by the previous administration.

Q On the stimulus, how important is it that Congress presents a united front to the American people, spending this massive amount of money in times of dire economic circumstances?

Increasingly Republicans are sounding like they are not going to support the package as it is currently drafted.

Mr. Hoyer. Well, they didn't support President Bush's request for the TARP either. Voting "no" is easy. Not paying for things is easy. Not having the courage to face up to the consequences of previous acts which have put this economy deeply in debt, largest loss -- the worst employment creation record since Hoover. That's what Mark Zandi is talking about. We have to respond to it. And I would think it is very important for us to show a unity of purpose. Mark Zandi -- again quoting Zandi because he was one of McCain's chief economic advisors, so, presumably, had McCain won, he would be pursuing a similar path, which points out that we think we have bipartisan agreement, not necessarily in the House -- although we know we have bipartisan support in the House as well as yesterday's bill was bipartisan, but not as much as I would have liked.

So the answer to your question is I would like to see us have a large bipartisan vote. But we need to act; we need to act consistent with principles that almost every economist has told us of significant size of both tax and spending to get the economy moving, or the alternative would be to lose more jobs, more homes foreclosed upon, and an even deeper recession than we are now experiencing.

Q Mr. Leader, what do you think -- we have heard a lot of charges from the other side of the aisle that the Republicans have

been left out of the process, especially the stimulus bill. They seem to be making a play to really work with the President because, frankly, in the House a determined majority can do what they need to do. It is different in the Senate. Do you think there is some credence to some of those charges, or are they, as Debbie Wasserman Schultz put it, they are flailing about?

Mr. Hoyer. I think the Republicans in the House have not been very supportive for a long period of time of the programs proposed by the Bush administration. I keep making that point because we had a lot of bipartisanship over the last 5 months. It was Democrats in the House and Senate cooperating with the Republican President of the United States.

Now, the President of the United States presently wants to have bipartisan cooperation. I want to have bipartisan cooperation. I've talked to Mr. Cantor, and I've talked to Mr. Boehner. I think there needs to be greater coordination. I think that is useful, important, and I would hope that we could keep pursuing it.

The reason I quoted Zandi so extensively is bipartisanship is not just among 177 Members of the House of Representatives, who have not, frankly, over the last 95 to date indicated great interest in bipartisanship other than rhetorically. We had 18 people vote yesterday for a bill, ironically, that Congresswoman Foxx on the floor today -- I don't know whether any of you saw the conversation between Congresswoman Foxx and myself today -- said

really ought to be passed. She said, I hope the Senate passes it. She voted against it yesterday.

So I'm hopeful that we will have more bipartisanship. I've indicated to the President that if he wants to meet with the Republicans, he ought to do that. I have no objection to that. The Speaker has no objection to that. We are having a bipartisan leadership meeting tomorrow at 9:45 in the White House with -- Senator McConnell will be there. Mr. Boehner will be there. Mr. Cantor will be there. Mr. Kyl will be there. So we will have bipartisan discussions.

The last year, the last Congress, Democrats on immigration were cooperative with the Republican administration; on the stimulus package early in January last year, were cooperative with the Republican administration; in the latter part of the year, we were cooperative with the Republican written administration. We have pursued bipartisanship, and we will continue to do so.

Q Do you think the bill that came out of the House Appropriations Committee, do you think that that will be very close to the final product presented to the President, or to get this bipartisan vote, it will need some major changes?

Mr. Hoyer. I think in the House it will be pretty close to what we do. We are going to discuss, obviously, as you know there were six Republican amendments that were adopted in committee. So this was not totally a partisan effort. There were bipartisan amendments. I think there were four Democratic amendments or five

Democratic. About half and half.

Again, Zandi says that that's just about the right mix of tax cuts. That's being marked up today in Ways and Means. Energy and Commerce is marking up today as well. I think it would be accurate to say it will be pretty close to the mark, not saying exactly, but pretty close to the mark of what we are going to do in the House. And then it will -- the Senate will have to do its will, and we will have a conference and hopefully move this bill. As all of you know, our objective is to have this bill to the President prior to the 13th, which is the Friday that we leave for the President's Week.

Q I wonder if you could speak a bit more to the specific agenda of the meeting tomorrow. What kind of movement do you hope to see happen from the starting point of that meeting to when you emerge from it?

Mr. Hoyer. Let me give you a little preface to that. President Bush and I got along well personally. Get along well. Not "got" along. We had very substantial disagreements, and I observed some time March, April, May of last year, we were at a bipartisan meeting with the President around the cabinet table. And I said, Mr. President, we come down here, and it is very pleasant; and we leave here, and nothing changes.

I am hopeful that changes. I hope that in fact we will come to these meetings with an intent to try to move forward in a way where we can get bipartisan support. Very frankly, I've come out

of those meetings -- and I'm not going to mention names -- but with Republicans saying to the President, yes, we are going to support you on doing some things. Immigration bill is one that I have in mind. That didn't happen. I'm hopeful that we will see that happening under this President. I know this President wants to do that.

So, obviously, tomorrow's focus will be the recovery and reinvestment package. I'm sure that the President will indicate how important he thinks this package is. I'm sure -- I don't know whether he will quote Zandi, but he will in effect say: Look, I've worked across the board. We have talked to Secretary Paulson, Bernanke; Paul Volcker is involved. Paul Volcker is obviously a supporter of the President but is now perceived as totally bipartisan, reappointed by Reagan after Carter appointed him to the Federal Reserve.

We have been working in a bipartisan fashion. It just so happens that some of the Republicans, particularly in the House, feel that they're not included. I'm not sure who they are talking to. We want them included. We want their advice and counsel. And we want their support, and we welcome their ideas. So I'm sure that -- all of that we want at the White House tomorrow. Now you asked me what I expect to come out of it. What I hope to come out of it, expectations are a little different than hope. What I hope to come out of it is an agreement that Republicans can support a package and maybe have some suggestions on what will

make it more supportable from their perspective.

Yes?

Q One and a half questions on stimulus.

Mr. Hoyer. I will give you one and a half answers.

Q What does Zandi know that CBO doesn't on the spend-out rates? Because there seem to be some different ideas.

Mr. Hoyer. There is a lot of discussion about the spend-out rates. What Zandi knows, and I think we need to emphasize, what Zandi knows and almost every economist knows is that probably spending \$850 billion in 11 months or the balance of the year, you probably wouldn't spend that very wisely, but that you need to know it's available so you can plan, and you need to create the confidence that these resources will be available to not only staunch the downturn, the slide into this abyss that we are facing, but also once the slide is stopped, try to bring it back over a longer period of time.

So it would be, I think, incorrect to say that this package is simply looking at the very short term. We certainly look at the short term in many respects. The tax cut is going to take effect immediately. Obviously some infrastructure spending will occur immediately. Obviously some of the other spending in health and the economy and energy will take effect immediately. But there also will be a longer spend-out.

So we are looking at both the immediate short term, but we are also looking at the medium term, if you will.

Q And would an AMT patch in the stimulus be stimulative?

Mr. Hoyer. I personally don't believe the AMT patch would be particularly stimulative. That is not to say that I am opposed to the AMT patch being in this bill. As you know, I voted against the AMT because it wasn't paid for. I think the AMT ought to be paid for. I don't have high hopes, very few expectations that the Senate will pass a paid-for AMT. I would hope they would. We have now a majority, but they need 60 votes to do so. I'm not sure they could get that. My view is, if they are not going to pay for it anyway, we might as well let people know in this bill that the AMT patch is going to be there, and we will not have an increase in their taxes.

Q Have you heard anything from the Senate about not being done by the February 13th deadline?

Mr. Hoyer. No, but there is no doubt that Senator Reid believes that's the target he wants to meet. I don't think he thinks it is an easy target. But the Senate has been working, and the Senate has a markup tomorrow, right?

Next week. They are going to have a markup next week. So they're moving on their package, and I have every reason to believe that they're hearing from the same people that we're hearing from that we need to get this done, not only substantively but in a timely fashion; timely, targeted, and temporary. We are still on that kick, but appropriately so.

But both Senator Reid and Speaker Pelosi have indicated that

we are going to pass this before we take a break. That usually has a really stimulative effect on people.

Q Both you and the Speaker keep quoting Mike Zandi. Are you trying to send Senator McCain a message that he should get on board with this stimulus package? And for those of us who watch the process here, is McCain kind of like the linchpin of whether this will really be a bipartisan legislation?

Mr. Hoyer. No, I don't think so. Obviously, we would like to have Senator McCain on board. The reason Zandi is -- first of all, he's been in our meetings, giving his opinion. The reason for this is, because Mark Zandi was an advisor to Senator McCain, who had his own perspective on how to bring the economy, his own perspective. And he got a lot of votes; a lot of Americans thought Senator McCain ought to be present. The point is, you have now a principal advisor to Senator McCain and principal advisors to Senator Obama agreeing on the way forward. That, I think, is the important message that the Speaker and I are trying to make.

I would hope that Senator McCain would see it the same way. I don't know that Senator McCain has said something. If he has, I missed the quote on it. I don't know what he's going to do. But Marty Feldstein has made the opinion that you need both tax cuts and spending, and substantial spending. Clearly not a Democratic advisor.

That's why we quote people who would not necessarily be

traditionally expected by the press or the public to say, oh, yeah, what the Democrats are doing, we are for that. Bob Reich, I think, is brilliant, but quoting Bob Reich saying this is a good stimulus package, you are going to yawn and say, well, of course he is going to say that. He is for these kinds of things. But when I quote Mark Zandi and Marty Feldstein, you get a different perspective that maybe the Democrats are correct that there is a broad bipartisan and a consensus that this package, like any package, not being perfect, but is about the right mix and about the right size.

Q Mr. Hoyer, speaking about what should be in, do you think this bipartisan provision on cram-downs should be in the stimulus, or will it hold things up in the Senate?

Mr. Hoyer. I think it would probably hold things up in the Senate. President Obama, as you know, said he is for doing this but would prefer not to do this in the package because this package is so critical to get this done. Yesterday we spoke directly to the mortgage crisis. We think that the TARP funds need to be used in part to address the crisis that is confronted by many homeowners whose homes are under water and are having trouble making their mortgage payments. And if they lose their homes, it affects not only them very severely but the whole community severely.

So I think the perception in the bankruptcy relief has certainly changed. Frankly, I believe there is a majority support

both in the House and the Senate for that. But whether or not it is included in this bill or subsequent bill still remains to be seen.

Q Could you just clarify, a majority support that could pass in the Senate or --

Mr. Hoyer. I think it will pass in the Senate and probably pass in the House.

Q Sixty?

Mr. Hoyer. Sixty? I don't know that to be the case. My sense of it is that the perception of this issue has changed over the last 6 months, as to the appropriateness of being able to modify the mortgage allocation.

Q There has been a lot of discussion about whether or not to investigate torture and interrogation techniques used by the Bush administration. Do you think that is a good idea? Why? Or why not?

Mr. Hoyer. As you know, the President has -- is about to, I guess, he issued some executive orders on how we deal with this. And my belief is he is going to set up and ask people to look at and review what we have done, what we are doing, all with a view towards what we should do. And I think he made promises during the campaign which he is going to keep as it relates to these issues of Guantanamo, of interrogation procedures.

And I think, looking at what has been done is necessary. Now that does not mean that I think the Obama administration has any

intent to sort of revisit all of these issues. I think he's more intent on what should be done and moving forward on what we are going to have as a practice for our country.

Q What about continuing with the U.S. Attorney investigation?

Mr. Hoyer. Which one?

Q The one into Bush firing all the U.S. Attorneys or Gonzalez --

Mr. Hoyer. I think the committee is still very interested in that. I think they are very interested in talking to some people who were in the former administration. And, again, you do this so, hopefully, you can assure that these mistakes are not repeated. I think generally everyone agrees that U.S. Attorneys, while they are subject to the appointment power on a day-to-day basis by the President of the United States or the Attorney General of the United States, that we should not have processes where they are pressured to indict people or investigate people for political purposes. That is, I think, wrong. I think the American people think it is wrong. And I think most of the Justice Department people believe that it is wrong, and obviously, some U.S. Attorneys believe that it is wrong. If we determine that that was done, we ought to make sure that it doesn't happen in the future.

Q The Republicans have put forward a very --

Mr. Hoyer. You will get the last question, but we will take

his question. I will take his, and you will have the last one.

Q The Republicans have put forward a very tax-cut-centered alternative to the stimulus. Are there elements of that that you and the Democrats might be open to including in the stimulus package?

Mr. Hoyer. Well, I talked to a very prominent Republican pundit when I was on Fox News about 3 weeks ago. Without mentioning his name, you would know it if I mentioned it, he opined, he thought, boy, the Republicans ought to vote for the package that you guys have put forth. The package was not in stone, so he was not being specific on our package. But what he meant by that is, here the Republicans have an opportunity to vote for very substantial tax cuts, some \$275 billion in tax cuts being offered by Democrats. And his point was, they ought to grab it.

He said, in addition the spending that you propose or were about to propose, that was being discussed at that point in time, not specifically but generally what we have in this package, spending, you have a guy like Feldstein who thinks that you need spending. You can argue about this or that or the other, but generally most of the items I think are supported by certainly a majority of the Congress.

So the Republican's proposals, I think we ought to look at those and see whether they've got some proposals that make sense. I know they're very focused on capital gains. But they're also focused on some of the tax cuts including the look-back, the NOL,

the other business tax cuts that are included, including the acceleration of depreciation, which I think they favor. So, I mean, I think there are some things in there which, very frankly, in terms of the carry-back to 5 years for present losses, some of us who don't think that is probably particularly stimulative, but it will give, we hope, additional capital to businesses to operate and expand and at least not lose jobs.

So we will follow that. So the answer to your question is, I think from a Republican standpoint, this will probably be the largest tax cut they will get to vote for over the next 24 months. They ought to grab it.

Okay. You get the last week, contrary to the direction of my --

Q Going back to, GITMO?

Mr. Hoyer. To GITMO?

Q Yes, Republicans are arguing that this order is premature, that there are all these questions about what happens to these detainees that haven't been answered by the Obama administration. They are not the only ones; Governor Sebelius is saying she doesn't want these detainees ending up in -- how do you deal with that question? Are you concerned at all about detainees ending up in the U.S. and any concerns they might pose?

Mr. Hoyer. Well, let me say this. I don't know how many of you saw Colin Powell on Meet the Press, not when he endorsed Obama but many months before that. And he was asked, what do you think

of Guantanamo? And he said, I think it ought to be closed today. Anybody remember that? If you don't, take my word for it. You can trust me, but you can verify it and get his quote later.

Barrack Obama, during the course of the campaign, said I am going to close Guantanamo. George Bush, during the course of the campaign -- he wasn't the candidate -- indicated he wanted to close Guantanamo, but there were problems. What this President said is, we are going to take no more than a year to figure out how we do this. That's a pretty long period of time, particularly in light that this prison has been open for over 5 years, 6 years, I guess, since the beginning -- subsequent to 9/11. I forget the date on which it was in fact first open, but in any event, 5-plus years. We have had a long time to consider what we're doing here. And clearly there are issues that are complex. And President Obama has set up a process to be undertaken immediately. And he said we are going to do this within a year. And there are going to be an awful lot of people who think that is 12 months too long. But I think it is a responsible process to solve the complex problems of shutting this facility down without determining necessarily at this point in time where those who are ultimately believed to be -- to require continued incarceration for the safety of the United States to be resolved. And I'm not going to anticipate that resolution today.

Okay. That was the last question. Not the last answer, I hope. But thank you very much.

[Whereupon, at 12:33 p.m., the press conference was concluded.]