

PRESS CONFERENCE WITH MAJORITY LEADER,
STENY H. HOYER

Tuesday, February 3, 2009

10:04 a.m.

Mr. Hoyer. Good morning. How is everybody? Terrific.
Terrific.

It looks like yesterday we were in pro forma, Morning Hour at 2 p.m. today, a number of Suspension bills. And then Wednesday, as you know, this is a short week -- do you need assistance?

Q No.

Mr. Hoyer. Do you want to be excused?

Q I am fine. But thank you very much.

Mr. Hoyer. Yes, sir. We aim to accommodate.

As you know, this is a short week because, as the Republicans did last week, the Democrats will be going to their conference Thursday after the prayer breakfast, so Wednesday will be our last day.

On Wednesday we expect to take up the children's health bill, which was passed through the Senate in a bipartisan way. By the way, that received 40 Republican votes when it passed the House in our continuing effort to make sure that bipartisanship is pursued. There has been a lot of talk and a lot of discussion about that.

SCHIP is a bill that is supported by the overwhelming majority of the American people. As in the last Congress, we passed it through both Houses. As all of you know, we failed by 12 or so votes to override the President's veto in the House. We were disappointed about that and we indicated it would be one of our early efforts.

This adds over 4 million children to the Children's Health Insurance Program, and we believe it will be a very positive effort to make sure that we have a healthy America, but, more importantly, healthier children in our country, which we think is a very definite benefit to our country and to our people.

President Bush, as you know, said he wanted to enroll millions of poor children who were eligible but not signed up for the government's health insurance program when he spoke to the Republican National Convention in 2004. Unfortunately, he did not do that. President Obama will now redeem that promise, a promise he made himself, but he will do it. This is, I think, the change that America has asked for. This is the "yes, we can" philosophy. This is acting on behalf of people who need our assistance.

We continue to pursue, obviously, economic recovery, and we find ourselves -- the Washington Post headline the other day was "Things Are Bad and They Are Getting Worse." That may well be the case. But what President Obama has said and what we have said, it is absolutely essential that we act in a quick fashion and act very substantially to stop the downturn, try to stabilize the economy, and then start bringing us out of this very deep recession, the deepest we have been in.

There has been a lot of debate about, as I said, bipartisanship. We didn't have much bipartisanship, as a matter of fact, zero, when we adopted President Clinton's economic plan in 1993. That economic plan, as you have heard me say ad nauseam

I suppose, from your perspective and maybe from others' perspectives as well, was part of the most substantial economic expansion this country has seen in the lifetime of anybody in this room, and that was exactly contrary to what Republican leaders said it would be.

In fact, specifically former Majority Leader Dick Armey, economist, one of the principal spokespersons for economic policy under Republican leadership, said this of the Clinton economic plan: "It is a recipe for disaster. It is not a recipe for more jobs. Taxes will go up. The economy will sputter along." He was absolutely wrong.

I know you hear me say that a lot, but one ought to reflect on that in the context of consideration of this program, which is designed to get the economy moving and get it out of the deep recession that has resulted from the economic policies being pursued by the Bush administration, overwhelmingly opposed by Democrats.

John Boehner, referring to his 2001 and 2003 tax cuts, said, they "have led us to one of the most robust economies we have seen in our history." That was inaccurate when he said it. Job creation at the time he said it was relatively dismal. It is now a disaster.

The Bush administration years, after fully controlling economic policy for 8 years, some Republicans have said well, the Democrats took over in 2007. That is correct. That is when the

American people in 2006 started their vote for change which they completed in 2008. But economic policy was not changed by Democrats. Why? Because President Bush threatened to veto and did in fact veto some of the suggestions we made.

Eric Cantor said, "Let's look at the facts. The tax cuts have spurred spectacular economic growth." Job creation, again, dismal. Job creation during the Bush administration was the worst since Herbert Hoover, in the last year, a loss of 2.6 million jobs as opposed to approximately 2 million jobs being added under the last year of the Clinton administration.

I repeat these because as we have this debate about the perspective on what will work and what will not work, we believe that this is not about Democrats and Republicans. It is about policies that have demonstrably worked and policies which have demonstrably failed.

Under the proposal that we have made, we are going to put Americans back to work, saving or creating 3 to 4 million jobs, tax relief for 95 percent of Americans, tax relief for small businesses, and job creating projects to rebuild our infrastructure and create an infrastructure which will sustain not only a stabilization of the economy, but a growth in the economy over the long term.

Let me stop and give you your turn.

Q John Bruton, the Ambassador to the European Union, is upset about the Buy America provisions in the act and has

apparently written to you and other Members of Congress.

Mr. Hoyer. I think his concerns are justified. A number of people have talked to me about it as well. Clearly the American taxpayer hopes and expects that if we are going to put substantial dollars, as we are doing, into the American economy, that it boosts the American economy.

Having said that, we are a country, I talked to the Canadian Ambassador, for instance, the other day, very concerned about the flow of economic activity between our two nations. So I think the concerns are relevant. As you know, the Senate bill goes much further than the House bill, but I am sure that will be a matter for discussion after the Senate passes its bill.

Q Mr. Leader, we have heard so much talk about bipartisanship up here or lack of or what have you. What in your mind is bipartisanship? Is that appointing Republicans to your Cabinet, is that getting Republican votes on the stimulus bill? What is bipartisanship in your mind?

Mr. Hoyer. Unfortunately, I don't have this down in the place I want to get it. These are the bills that we enacted last year. Seventy percent of 230 key measures, 70 percent, had significant bipartisan support.

Now, let me say to you, bipartisanship is, as I expressed last time, and I really think there is a responsibility to convey this to the American public, George Bush as President of the United States. America faces a crisis. Who responds to work in a

bipartisan fashion? Democrats. Democrats in the House, Democrats in the Senate. Whether it was the stimulus package in January, whether it was the TARP in September, or whether it was the TARP in January, Democrats have consistently, including responding to terrorism, responding to Katrina, we responded in a bipartisan way.

Now, let me juxtapose that. Boehner, Cantor, Pence, McMorris-Rodgers, who is vice chair of their caucus, McCotter, who is policy chair, Representative Burgess, who is policy vice chair, Representative Carter, who is conference secretary, Representative Sessions, chairman of the NRCC, and Representative McCarthy, who is their chief deputy whip. Recovery and Reinvestment, all voted no. Lilly Ledbetter, substantially supported by the American people, as is Recovery and Reinvestment, over 60 percent of the American public believes we ought act all voted no.

TARP reform, which was a bill which the American public clearly had talked about, mortgages, about compensation, about the obscene way in which companies in real trouble are giving extraordinary bonuses. The Senator from Missouri said it more pointedly, but clearly the judgment of those is very wrong, and the TARP reform tries to turn that around. Every one of the people I just mentioned voted no [Correction: Rep. McCotter voted "yes" on TARP Reform].

Children's Health Care, 70 percent of the American people support this; every one of those Republican leaders, every one

without fail, voted no [Correction: Rep. McCotter voted "yes" on SCHIP].

And paycheck fairness, the concept of making sure that women get paid equally for equal work, every one of the Republicans voted no.

I don't think that for that group to be saying that we ought to be bipartisan is very credible. Bipartisanship requires, like dancing, two partners.

Q But I guess I am asking what is the definition of bipartisanship?

Mr. Hoyer. Working together to try to achieve objectives on behalf of the American people.

Q But is that going halfway by changing the stimulus bill to meet some of the Republican demands, or, as I said, is that appointing Republicans to your Cabinet?

Mr. Hoyer. Well, you know, as I pointed out, in this bill that we passed are very substantial tax cuts. Those tax cuts hopefully will have a positive effect. For instance, the AMT in the House and in the Senate that is coming over, Mr. Grassley and all the Republicans are for doing that not paid for. I am not for that. However, having said that, you know, that is obviously an attempt to try to include something in the bill which does have in fact bipartisan support. That bill passed unpaid for without my vote, but there were 350 votes in the House of Representatives. That is pretty bipartisan. That is being added to the Senate

bill. I think we will probably take that.

Q Mr. Hoyer, how big of a liability has Tom Daschle become and do you think he should withdraw?

Mr. Hoyer. I don't think Tom Daschle is a liability at all. I think Tom Daschle is personally embarrassed and clearly failed to do something that we expect citizens to do. Having said that, Tom Daschle is an extraordinary asset to our country, particularly as it relates to health care, on which he is a great expert, and my expectation is the Senate will confirm him. But clearly it is an embarrassment, and not only that, it was I am sure from Tom Daschle's standpoint very unfortunate. He is a man of high integrity. I have known him for a very long period of time. But I am surprised and disappointed and I am sure Tom shares that view.

Q Do you expect it to undermine his ability to be able to move legislation?

Mr. Hoyer. No. I think in the short term, obviously, it has an adverse effect, but in the long term, because of Tom Daschle's skill, knowledge and abilities, that he will be a strong asset in a lot of areas, but particularly as we try to deal with the President's and our objective of providing for universal health care for our people.

Q Can President Obama afford to nominate any more nominees who haven't paid their taxes?

Mr. Hoyer. I think he is going to check on that very

carefully. I don't know if you were at the Alfalfa dinner, I have got a feeling you were not, but let me tell you, at the Alfalfa dinner Obama was very funny generally speaking, but I particularly liked this line. He said, "As all of you know, I have promised my two daughters that we are getting a new dog. And we were very close to getting a new dog, but we vetted it and found that the dog had not paid his taxes."

Having said that, I am sure they are going to be very, very careful. It is surprising, surprising, that this would happen. I think Senator Daschle made a real mistake in not being more attendant to paying and being more attendant as President elect Obama was considering him to make sure that this was taken care of before. I am sure he shares that view.

Q Leader Hoyer, a question on the stimulus bill. The entirety of it, whatever the final outcome is, is going to have to be borrowed, and an increasing amount of our national debt is held by the People's Republic of China.

Are you comfortable with the fact that the Chinese are going to be financing a large portion of our economic recovery?

Mr. Hoyer. No, I am not comfortable with that. I am not comfortable, as you may have heard, I am not sure how long you have been here covering Steny Hoyer, but Steny Hoyer has been a vocal opponent of the fiscal policies that have been pursued over the last 8 years by the previous administration. I was a vocal opponent to the Reagan policies which put us deeply into debt, not

nearly as deeply into debt as the Bush II policies have put us, but a vocal opponent of the fiscal irresponsibility we have pursued of buying a lot of stuff and not paying for much of it, which was the Republican pursuit over the last 8 years. They spent a lot of money. They spent more money than the Clinton administration. They raised spending at twice the rate that the Clinton administration spent it, and they paid at, I don't know whether it was half the rate, but they paid less.

So the answer to your question is absolutely I am concerned about it. And I have talked to all of the administration officials, from the President, Mr. Emanuel, Secretary Geithner, Peter Orszag, Larry Summers, I have engaged them all in conversation in which they indicated that we need to get long term to a policy of balance and fiscal responsibility.

In the short term there is no alternative in my opinion, and you saw that in the vote of a lot of Blue Dogs on this package, that there is not an alternative to borrowing money to infuse it in the economy to get our economy going, because failure to get the economy moving will cost us perhaps more or twice as much more than spending the \$800 billion or \$900 billion. Economists tell us that if you don't get the economy moving you are going to lose more than that.

Q Looking forward though, where are those cuts going to have to come from? We are looking at \$800 billion, possibly \$900 billion.

Mr. Hoyer. We are not making cuts, we are borrowing the money. That was your question?

Q But long term.

Mr. Hoyer. Long term we are going to have to have fiscal responsibility. Hopefully growth will help us do that. We are going to have to look at entitlements. We are going to have to look at spending generally on both the defense and domestic side. So we are going to have to make some tough choices.

The good news is that is what President Obama said in his speech, that is what he said in a number of his statements, and I am looking forward to working with him toward that end.

Q The Senate's stimulus package is more expensive than the House passed and it is probably going to get more expensive on the floor.

Mr. Hoyer. The \$70 billion in and of itself put it from 819 to 889.

Q And they have several amendments lined up to add more. Do you have an understanding with the administration and the Senate what the total bill should be coming out of conference?

Mr. Hoyer. I think the objective is to have a bill of less than \$900 billion.

Q Mr. Leader, as the Obama team is being informed with regard to the second installment of the TARP funds, planning to spend it, concerns are still being expressed from both sides of the aisle about what exactly happened to the first \$350 billion in

the first installment.

Do you or does Democratic leadership, can you account for the \$350 billion, the first installment, and will the American people, will that money ever be accounted for to the American people?

Mr. Hoyer. Well, I hope so. I think we were not as specific in terms of reporting the first 350 as we should have been. I think we are going to be much more on the second. As you know, we passed a reform package as well that I thought the Senate would pass. There is some discussion about they are not going to take it up. I think that is a mistake. I think they ought to take it up, pass it, and send it to the President.

We ought to have more accountability, more transparency, and then the public needs to know where every nickel of these funds are going. Certainly that is going to be the effort of the Obama administration with the second 350.

Q Can the Democratic leadership or anyone account for the first installment, what happened, the final destination of the \$350 billion?

Mr. Hoyer. Obviously, Secretary Geithner is working on getting from the institutions that received money that report. Unfortunately, in the legislation itself that was not required, but there is an incentive for them, however, to respond positively to Secretary Geithner. I hope they do. I know that Barney Frank and Chris Dodd are both looking for those answers. So we are going to pursue it.

Q Mr. Leader, on the stimulus, the CBO says about 78 percent of their money is expected to go out on the Senate side in the first 2 years versus the 64 percent that you guys have. So, A, don't you think you are going to have to move more toward the Senate model in some respects to increase that spend-out rate, and on a related note, when do you expect the omnibus to come to the floor?

Mr. Hoyer. On the first question, \$70 billion obviously in the AMT will be an immediate impact on next year, so I presume that is part of the increase. The infrastructure money which I think we would, I think there is a majority in the House, Republicans and Democrats, who all think that there ought to be greater expenditures there. As you know, that was their motion to recommit by Mr. Mica.

The problem we have got is the report from the various different people who look at this say you really can't get more money out the door in the time frame that we are talking about, that is the 18 months, than we have provided for. But I think the House is certainly open to more infrastructure spending.

Again, the objective is to keep this bill below \$900 billion, which goes to a sense of proportion. That does not mean that this would be the last bill that we would enact, but it does mean we think there ought to be some sense of -- it is hard to talk about a \$900 billion bill reflecting any restraint, but we think it needs to have some target.

Q And on the omnibus?

Mr. Hoyer. On the omnibus, I think the omnibus, depending upon how fast the Senate moves on the Recovery and Reinvestment Act, my expectation is they will be working on that next week and we will take the Presidents Day break. So my expectation is we would complete the omnibus prior to the 6th and 2 weeks after we come back.

Q Mr. Hoyer, can you tell us anything about your discussions with President Obama last night on the stimulus? Did you perhaps talk about areas where you could compromise with Republicans, and what do you think, for example, about the 4 percent mortgage interest proposal and lowering of the tax relief that Mitch McConnell was talking about yesterday?

Mr. Hoyer. You mean lowering the --

Q Lowering the tax rate by 5 percent for people who make up to \$67,000?

Mr. Hoyer. First of all, with respect to our discussions with President Obama, and Vice President Biden was there as well, the discussions were relatively general. We were focused on scheduling and trying to get the recovery and reinvestment package done. There were discussions about how House and Senate would work together once the Senate attacked it.

There were some discussions about specifics, but not in depth because the Senate was just starting to mark up its bill and no amendments have been adopted yet, except the ones in committee.

AMT was adopted, as you know, in committee. So the substance of those discussions was how we needed to, both the Leader and the Speaker have indicated that we are not going to go home, go on break, unless we have passed this package, which puts a real premium on communication and trying to work together on that.

What was the second part?

Q I just wondered what you thought about this proposal, guaranteeing a 4 percent rate on mortgages?

Mr. Hoyer. This 4 percent was on the mortgages. There has been discussion over here. Congressman Cardoza, as you know, has been discussing a similar proposal. There has been great concern about the first tranche of the TARP not being used as expansively for mortgage relief as we expected and hoped for. As you know, in the TARP reform bill that was passed, \$40 billion to \$100 billion is targeted for mortgage relief. I have not seen a score on the McConnell proposal, but initial analysis puts it at a very high figure.

So we need to move on mortgages, we want to move on mortgages, and that is why we passed the reform package. I have talked to Secretary Geithner about it personally, as has Chairman Frank.

Q Mr. Leader, getting back to the Republican vote last week on the stimulus, this is something that they did in 1993 as well with Democrat proposals, and the results in '94 were evident in the elections. Are you concerned that this might help them

politically?

Mr. Hoyer. No. I disagree. If your premise is that somehow their failure to vote for the Clinton economic program was the reason that they won in '94, I don't think that is -- I don't believe that.

Q It possibly contributed to it?

Mr. Hoyer. I am sure it contributed to it. What contributed to it was that their reason for attacking was we were raising taxes. In fact, taxes were not raised on anybody but the top 1 percent. The top 1 percent does not control an election.

My view is, there were over a number of years factors that made Democrats vulnerable. A) we had been in a long time; B) the country was not doing as well as they wanted to do, although ironically they, if you look at the last 75 years, they have done much better under Democrats generally. I also believe that redistricting played a part in the '94 election.

I think, frankly, Democrats were not as diligent as they might have been in terms of the election. I think that while we thought we might lose some seats, nobody, including nobody in this room who was around and really looking at this and analyzing it much prior to July of the election year, thought that there was any possibility of that tsunami happening.

Lastly, I think the health care proposal was a complicated one, and I think much was made of that, and Americans were concerned about bigger government, Harry and Louise pay more, get

less. I think we didn't communicate that very well. I think as a result of us not passing that the American public got less and paid more.

Q Back on bipartisanship, on the conference this week in Williamsburg, when the President is there, do you expect your Members to raise this issue of bipartisanship with him, why he continues to pursue Republicans who, as you point out, are not willing to vote with you guys?

Mr. Hoyer. You know, I don't know whether members will do that. Recall again, Roy Blunt and I are good friends. We had lunch yesterday. I think pursuing effective legislation for the American people is not a question of, per se, bipartisanship.

There are 435 of us in the body. You need 218 to pass it. Very frankly, 218, nobody reports exactly in the final analysis that it was 217 Democrats and 1 Republican or whatever. They said you got a majority and the bill passed and it may become law. That is the critical thing.

I think President Obama is absolutely correct, not only in terms of what he has done, but in his inclination to do it, and that is to reach out to people and say look, we have some real challenges, we need to make a difference, we need to make a difference together, and we want you to work together.

The reason I read you that list of all the Republican leaders, Newt Gingrich came in with a philosophy of don't cooperate, 1978. Don't cooperate with Democrats, because if you

cooperate they will be perceived as succeeding. If they are perceived as succeeding, you won't be electorally successful. He pursued that for 16 years, from '78 to '94, and ultimately was successful. It took a long time. I think one of the things I admired about him was he stayed focused on that issue.

But I think the American public wants us to work together. The reason I mentioned all these, Recovery, Ledbetter, TARP reform, Children's Health Care and Paycheck Fairness, I think the American public, on all of those issues, a majority of the American public supports the position taken by the Democratic Party. Every leader that I read, 1, 2, 3, 4, 5, 6, 7, 8, 9 leaders, all voted no on every one of those propositions.

So if I ask you to dance and you tell me nine times in a row, no, I won't, the probability is I may stop asking pretty soon. I might get discouraged, maybe look for another partner.

Q The Blue Dogs and the New Democrats are circulating a letter to you about regular order.

Mr. Hoyer. Yes. I think this is an important question. So notwithstanding the last question, the question -- do you want to repeat it -- the question is the Blue Dogs and others, it is not just Blue Dogs, there are the New Democrats and others, hopefully a broader spectrum, are writing to me urging the leadership to pursue regular order. I think that is a very important pursuit.

I think our democracy is served, I think the American public is served, I think our committees and members are served on both

sides of the aisle, by pursuing regular order. Regular order gives everybody the opportunity to participate in the process in a fashion which will affect, in my opinion, the most consensus and best product.

Q Why did they send letter to you instead of Speaker Pelosi?

Mr. Hoyer. Well, because I am in charge of scheduling.

[Whereupon, at 10:35 a.m., the press conference was concluded.]