PRESS CONFERENCE WITH MAJORITY LEADER,

STENY H. HOYER

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Tuesday, September 15, 2009

2:06 p.m.

Mr. Hoyer. Hello. How is everybody? Apparently not too well. At least unresponsive.

Q We are not used to seeing you in the afternoon.

Mr. Hoyer. I know. It is too late in the day for you. Is that it?

Q We are usually in the bar by now.

Mr. Hoyer. All right. Well, I won't go into that. Thank you very much for being here. I am sorry that we are a little later today. A very close friend of mine died unexpectedly, and I was a pallbearer, so I was not in earlier today. Obviously, we are continuing to pursue health care for all Americans that provides them with quality, affordable health care that they can access. I believe that we will meet the goal of passing health care reform this year. And we are working very hard on that. The President gave a speech last week on Wednesday which I think was a galvanizing one in the sense that I think it energized and focused many people, not only in the Congress, but throughout the country, on the importance of, as the President said, stop bickering and stop playing games, and get down to work and get this done.

Mr. Boustany, in his response to the President, said that he believes we have agreement -- I am not sure that he used the word "agreement" -- but on 80 percent of the suggestions that have been made with respect to health care reform. I am looking forward to finding out what that 80 percent is and seeing if we can reach

some agreement as a result. I have reached out to Republicans, I have discussed with Mr. Blunt proposals, have not heard back from Mr. Blunt as to specific proposals, but would certainly be interested in hearing from him as well. As you know, he chairs their task force. I believe that bipartisan consensus ought to be possible and would be preferable, and will continue to pursue that.

Obviously, in order to attain bipartisan you have got to have a bi, not a b-u-y, but a b-i, you have to have two players who want to reach agreement. I would hope that that would be the case. And we are certainly open to it, as the President indicated. Polling data clearly indicates that the American people's perception is Democrats have been trying and Republicans have not been responding. I would hope that we would, however, move forward.

Chuck Todd, on “Meet the Press” this Sunday said, and I quote, “The question, as you know, is there really a middle ground? Is that a real thing or is this political tactic because Republicans themselves realize you can't just be against something, you have got to show some give here.” I think that is accurate, but it is accurate on both sides. And I would certainly hope the Republicans would be willing to work with us.

This week we will do a student loan reform bill, which I think is a very important bill for us to pass. I asked my staff to bring out some statistics on graduation rates, engineering

percent of total degrees obtained. Obviously, we are in high-tech economy, we are in a flat world, as Tom Friedman pointed out, and a global economy. Korea -- this is 2008 data according to the OECD -- Korea graduated 26.3 percent of its total degrees to engineering students and 32.4 percent of its Ph.D.s to engineering students. Japan, the statistic is 17.3 percent of its bachelor's degrees and 38 percent of its Ph.D.s were in engineering. The United Kingdom, 8.4 percent of bachelor's and 9 percent of Ph.D.s. the United States of America, as we continue to try to compete in this very high-tech environment globally, graduated 6.2 percent of its graduates had a bachelor's degree in engineering and 6.7 percent had a Ph.D. So when you compare just the two, Korea and Japan, to the United States, in Ph.D.s, it is essentially a 5-1 ratio.

The student loan reform bill seeks to make college more accessible, more affordable for students, also to save substantial dollars. Some $87 billion will be saved by direct loans to students as opposed to going through private lending organizations. About 6 million students receive Pell grants. When Pell grants were originally adopted, they replaced 70 percent of tuition costs. They are now replacing about 30, 31, 32, 33 percent of the cost, less than half of the cost when they were originally adopted. This will escalate us to, over time, to $6,900 from the present $4,700, and will go to $5,300, and ultimately go to $6,900. That will still, I believe, at the time

that is fully phased in be behind when the Pell grants were adopted, but nevertheless a significant step forward in trying to not just help students, that is very nice for them personally, but what it really is trying to help is to make sure that our economy is competitive and we have the technical skills to compete.

We are going to streamline the system. $10 billion of the savings will be dedicated to budget deficit reduction. Others will be dedicated to improving education at the community college level and at the primary and secondary education level.

Lastly on the economy, clearly a focus of this Congress since its beginning, we were confronted with the worst economy in 75 years. We have taken very substantial actions. Ben Bernanke says "The recession is very likely over at this point." We hope that he is right. I am sure that all of us will stay focused on that. While the recession may be over, it is clear that we have not started to gain back jobs, which is absolutely essential. Americans are focused on jobs. We are as well. CBO, the Council of Economic Advisers, and Moody's all estimate that there are 1 million more jobs now than there would have been without the Recovery Act. Now notwithstanding that, that is not -- you have heard me use the figure before, during the last 3 months of the Bush administration, we lost on average 650,000 jobs per month. Over the last 3 months we have lost an average of 350,000. That is 300,000 better. And we were down to 227,000 this past month.

So very significant progress, but still losing. The American

public is not going to be happy, nor will we be happy until we come into the adding of jobs, not simply cutting the loss of jobs. Secretary Geithner announced that many of the measures taken last fall will start winding down as the economy starts building up. As you know, in some respects, those who have repaid money received under TARP, we have essentially made money on those transactions. And we have a long way to go on that, so the bottom line is not yet known. Blue Chip economic surveys show 81 percent of the economists say that the recession has ended across the board. Plus the fact Blue Chip consensus forecasts about a 3 percent growth in the GDP this quarter, and between 2 and 3 next quarter.

And that is opposed to minus over the last three quarters. We hope that is the case. If that is the case, although jobs are a lagging indicator, we are hopeful that jobs will catch up. And if not, we will see what more we can do. Let me stop with that and give it to you. Yes.

Q Mr. Leader, the other night President Obama said that he was afraid that the continuing debate over whether to admonish Joe Wilson would be a distraction from the issues facing Congress. Did the White House reach out to the leadership at all and urge you to just leave it alone and move on?

Mr. Hoyer. Didn't reach out to me. I don't know whether anybody in the White House talked to the Speaker. So I don't know the answer to your question as to whether or not the White House

reached out.

Q Are you concerned at all -- what about this argument that by admonishing him formally, you will be turning him into a martyr, it will become a distraction?

Mr. Hoyer. Well, I had conversations with the Republican leadership. And as you know, Mr. Boehner is quoted as publicly indicating that he urged Mr. Wilson to make an apology on the floor. I talked to other Republican leaders, I won't name them, but you can speculate, who either indicated to me that they expected him to make an apology on the floor or they believed it was appropriate for him to do so. I have not talked to any Republican leader who thought what he did was appropriate or acceptable.

I think Mr. Wilson could have resolved this himself. I was hopeful that he would. As a matter of fact, those of you who were watching know that I held the vote open -- between the last two votes of the week last week, I held the vote open for about 10 or 15 minutes while the Republican leadership was talking to Mr. Wilson. And I frankly had been led to believe he was going to take that opportunity to express his regret on the floor. On a broader note, civility in a democracy is a very important facet. We believe in our democracy that the exchanging of views, listening to one another, the resolving of issues through debate, discussion, obviously disagreement, but reaching ultimately some type of agreement, is essential. Dick Gephardt used to say that

politics was a substitute for war.

Of course, what he meant by that was it was resolving things through peaceful means rather than through nonpeaceful means. It is important, which is why the rules of the House demand civility on the floor of the House. Now that doesn't always maintain, as you, I am sure, from time to time have observed. However, if this had been in a session of the House, Mr. Wilson's words could have been taken down under the rules of the House. This happens not frequently, but a number of times during the course of a session. And normally what happens is the Member comes to the floor and says I regret the words, and I withdraw the words, and it is done. If the Member does not do that, of course, the sanction is that the Member cannot speak on the floor of the House for the balance of the day.

I regret that Mr. Wilson has seen fit not to come to the floor of the House. He apologized to the President. I think that was appropriate. But he also offended the good order of the House. That is what Thomas Jefferson, Jefferson's Manual, was concerned about. And that is what our rules are concerned about. So from that standpoint, I believe it appropriate. The resolution that has been prepared is a very mild resolution, but it is an appropriate resolution from the standpoint of saying that the House disapproves of the conduct in which Mr. Wilson participated.

The President of the United States was a guest of the House here at the invitation of the House and the Senate -- actually, a

guest of the House and the Senate, but in our Chamber. And the conduct that was participated in, as Mr. McCain, John McCain said just shortly after it occurred, was inappropriate. And I think it is appropriate for the House to say to any member this is not conduct that we are going to expose the President to in the future.

Q Mr. Leader, thank you. If you feel so strongly about decorum on the House being broached, then why doesn't this resolution have more teeth? Why isn't it one of the four formal means usually used to discipline members, censure, reprimand, fine, certainly not expulsion, but why don't you go the more stringent route?

Mr. Hoyer. Mr. Wilson has apologized. Mr. Wilson and the Republican leadership have acknowledged, Mr. McCain acknowledged this shouldn't have happened. I think it is on the one hand important that we take action, but on the other hand, we don't need to make more of it than it was. It was a -- I don't know that it was planned. I know Mr. Wilson. It is out of character for him. But it is -- the resolution is more to say we believe that civility in the House of Representatives is an important aspect of doing our business, whether we are doing it ourselves or whether we are doing it with a guest of the House and Senate present.

Q Many of the CBC members say that they see racial overtones to his comments, that a white President would not have

been treated like this, not just his shouting out, but the Republicans holding up those handmade signs and stuff like that. Do you think it -- is there a racial connotation, and is this overtly or inadvertently hurting race relations in the country?

Mr. Hoyer. I did not take a racial connotation from Mr. Wilson's remarks. I do believe that there is expressions throughout the country being made that are unusually harsh. And I think the attacks being made on President Obama are unusually vitriolic. I hope they are not racially motivated.

Q To segue, I guess, just a little bit, you have indicated your support for a pathway to citizenship as a part of comprehensive immigration reform, kind of maybe tying into some of the criticisms of Joe Wilson's side. If that comprehensive reform is passed with that pathway, isn't it true that people who are now here illegally would be eligible for Federal subsidies and things like that when health care --

Mr. Hoyer. That is also true if they went back home and were authorized to come in and were here legally. I mean there are all sorts of ifs that you could hypothesize. The bottom line is, though, the bill makes it very clear that under the bill those who are not here and are not authorized to be here cannot benefit from this particular legislation.

Q Mr. Hoyer, could you share with us what Mr. Axelrod told Congress today? Did he tell you anything new on health care reform?

Mr. Hoyer. I wish I could. I apologize, I haven't been briefed. I was at a funeral today, and so I wasn't at the briefing, so I don't know.

Q Mr. Leader, you say the criticisms have been unusually harsh and full of vitriol, but you hope it is not racially tinged or targeted. What else would it be or could it be?

Mr. Hoyer. Well, I mean it could be disagreement with policy. But I mean, there have been other times when we have had disagreement with policy. There was not the same level of vitriol, as I referred to it, that I recall in 1993 and 1994. I don't recall -- that is what I meant. I think it is unusually heightened. And I am not surprised. I have heard members of the Congressional Black Caucus. Because there was a cartoon in The Washington Post today -- I don't know whether any of you saw it; I am sure you all read the Washington Post -- but which I think had a number of pictures of a number of people whose character and reputation are the worst you can think of. And the point it was making was that the analogies to these people to President Obama was -- the cartoon was we have run out of people that we can think of that are harsh enough to make the analogy.

The American public elected Barack Obama with a substantial majority, a higher majority than any President since Lyndon Johnson in -- Democratic President since Lyndon Johnson in 1964. They did so, obviously, in the face of what they perceived to be a troubled country with significant challenges, and in fact,

entering or amidst the worst economic downturn in three-quarters of a century. Americans were and are very fearful about their own personal lives, about their own personal economics, have seen their 401(k)s and retirement programs, have seen the value of their homes, or they have lost their homes, they have lost their jobs, or they feel their jobs are at risk. Americans are fearful right now. And they are angry at what has happened to their country and those they hold responsible for that happening. That is the context in which Barack Obama took the presidency. Unlike Franklin Roosevelt, where that condition had existed for over 3 years, and the American public was -- I think understood very clearly that very substantial, decisive, immediate action needed to be taken to meet the crisis, frankly, most Americans I don't think really were focused on this until September of 2008, which meant that Barack Obama took over with about 4 months into this public recognition. The recession started in December of 2007, according to most economists, but it wasn't until September of 2008 when the TARP program was adopted that I think Americans really became very focused.

I think Barack Obama came with great hope, great expectations of what he could do. And he responded and the Congress responded decisively and I think effectively, effectively in terms of, I think, the economy was at risk of going into depression according to Mr. Bernanke, not according to me. I am no expert. But according to Mr. Bernanke and others. But the decisive action was

action where we incurred additional debt, and we assisted corporations like General Motors and Chrysler. The American public are somewhat conflicted as to whether or not that was the appropriate use of their tax dollars. We will see whether that is the case. As I said at the beginning, I think much improvement is being made, but much improvement remains to be done. Now, to the extent that President Obama's race plays a role in this, it is difficult for me to assess. I said what I said, that I hope that that is not the case. Mark?

Q The State of Israel is very concerned, obviously, with the Iran nuclear situation. Do you personally and the leadership feel if Israel should act militarily they have to first consult or at least inform the American government?

Mr. Hoyer. Do I think that? I would certainly hope they would do that.

Q And if they didn't?

Mr. Hoyer. Well, I mean they are a sovereign nation. This is an item they see as critical to their security and survival. I don't think that we can require them to consult with us. As I said, I hope they would consult with us. But there is no doubt that Israel perceives this to be a matter of national survival. I would share that view. I think Iran becoming a nuclear power is much more dangerous than simply to Israel. I think it is destabilizing and dangerous to the region, one of the most volatile regions in the world, and poses a risk to the

international community globally, including ourselves of course, with great interest to the Europeans, to the Russians, in my view, and to all the surrounding neighbors. There are now 250,000 Americans in range of Iranian missiles. So this is not an issue just of concern to Israel, it is a concern to the international community. And I have long said, Mark, as you know, that I think a nuclear-armed Iran is unacceptable. Clearly, it is of great, great concern not just to Israel, but to Egypt, to Saudi Arabia, to the Emirates, and to other neighbors of Iran. But I would hope they would consult, but they are obviously not required to do so.

Q Mr. Leader, would you support on the House side, what the Senate has done in regards to ACORN and defunding ACORN?

Mr. Hoyer. I want to look at that. Obviously, ACORN is a large organization. What these two people did was despicable. And obviously, the Senate responded overwhelmingly that that kind of activity should not and must not be -- shouldn't go on, period, but it certainly shouldn't get any Federal money to facilitate it. I share that concern. Now, the issue is are these two -- is this a small group of people within a large organization that did action they shouldn't do or is it broader spread? If it is broader spread, I think we need to look very carefully at the assistance that we give. Okay, I am going to go to you last, notwithstanding the boss.

Q Thank you. With regard to TARP, there is an oversight hearing coming up. I am just curious as of today and the process,

how would you characterize your own degree of satisfaction, sort of your contentment with the level of detail and the amount that is known about how banks have utilized those funds?

Mr. Hoyer. I think all of us have been disappointed -- let me back up. As you know, when Secretary Paulson originally came here in September of 2008, the reason it is named TARP, because it was the troubled assets or the toxic assets, as some called them, that seemed to be the concern. And Secretary Paulson's intent was to purchase, with the 700 billion, toxic assets and get them oft books of financial institutions, with the objective being getting them back into lending. I have talked to an awful lot of small businesses particularly around the country who are still very concerned that they are having great difficulty either refinancing or getting initial lending for their businesses.

So to that extent, I have a concern that I think is shared by probably everybody in Congress that we have not seen the level of lending be what we would hoped it would be. And as a result, the economy has not expanded or created jobs at the rate we hoped for. Secretary Geithner, as you know, continues to review that. I think, as I said earlier, we are now getting TARP funds repaid, and at this point in time, we have made a profit. That is to say we have been paid either interest or the warrants that we had have been bought at a higher price than we imagined, and we have made money on the transaction.

I don't -- we probably can't count on that same kind of

profit through all of TARP, for all 700 billion of TARP, but we continue to talk to Secretary Geithner about how critical it is to create jobs. We are not creating jobs at the rate we would hope. We need to continue to focus on policies that will get us there, whether it is TARP funds or other funds. On the other hand, we also need to be very cognizant of the deep deficit that we have. And we need to restrain ourselves and draw an appropriate balance between stimulating the economy and getting a handle on the deficit, bringing it down. Thank you very much.

[Whereupon, at 2:33 p.m., the press conference was concluded.]