

PRESS CONFERENCE WITH MAJORITY LEADER,  
STENY H. HOYER

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Tuesday, January 27, 2009

12:00 p.m.

Mr. Hoyer. First of all, let me say that this morning I testified on behalf of granting voting status to Mrs. Norton, to the District of Columbia's Representative. I believe it is a national disgrace that the Representative of the District of Columbia is essentially the only representative in a national parliament around the world in a democracy that does not have a full vote. And that needs to be rectified, and I intend to work on rectifying that in the near term and work with our Senate colleagues to hopefully pass legislation that does that, and send it to the President. And I'm sure the President will sign it.

And I think, as we talk about an historic change, widened opportunity, an example of the American democracy at its best in the inauguration of Barack Obama as our President -- as George Bush himself acknowledged and John McCain did as well -- we certainly ought to honor that democratic strain and the best of our country by giving the District of Columbia Representative full voting status in the Congress.

We will address, today and tomorrow, the American Recovery and Reinvestment Act. Our economy, as all of us know, is at the lowest point that it has been since the Great Depression. We have started, this year, confronting a crisis of almost historic proportions -- of historic proportions, indeed. And we have economists, as I've said, from left to right, Republican, Democrat, as well as Mr. Mark Zandi, who I've quoted before, one

of John McCain's principal economic advisors, saying we need to act swiftly, we need to act boldly, we need to act in a big way, meaning both spending and tax cuts. We are doing that.

The CBO analysis shows that two-thirds of funds that we have provided for in the \$825 billion will be spent within 18 months to 24 months, creating jobs and having an immediate effect. The Obama administration and ourselves have said we want to try to get that number up to 75 percent.

The Obama administration has indicated they are going to do everything they can to make sure that this money is, in fact, used as it's intended. And that is to create jobs, get the economy moving, get lending moving, getting consumers feeling confidence, so that we can get our economy moving.

Seventy-four percent of the public says the economy is the most important issue that we're facing; 58 percent favor increased government spending to stimulate the economy; and 71 percent support government cuts in taxes.

We are doing all of that in the bill. Tax relief, as you know, is \$275 billion. The Make Work Pay Credit is about \$140 billion of that, for 95 percent of American taxpayers. State Federal fiscal relief is also critically important so that States are not laying off particularly school teachers, policemen, firemen, other public service people.

Also, the FMAP -- as people lose their jobs, they lose their health care. In addition, protecting vulnerable populations, food

stamp increase, unemployment insurance, additional funding for WIC, extra SSI payments -- all designed at a time of great economic stress for a very large number of Americans, to fill the gap that they're confronting.

And then, of course, core investments and creating jobs in infrastructure. Infrastructure is particularly important as we seek to not only create jobs but also to provide an infrastructure in which our economy can be successful long-term.

We also want to provide for energy independence. That's been a huge issue for us. And there is substantial investment in this bill, as you know, for energy independence. Modernizing and expanding the grid so that, as we have alternative energy sources, we can distribute those throughout the country; battery development so that we can go from gasoline to ethanol and then ultimately to electricity; weatherization to make our homes more efficient; and increased science and technology research and education.

Health care -- COBRA subsidy, which we think is critical, given the extraordinary loss of jobs and the inability to find jobs and run out of your COBRA payment pretty quickly. We're going to deal with health care long-term, but we have some items in this bill which will help us do that.

And education and training -- clearly, our economy will not be successful and healthy in the long term if we don't provide for education. So we deal with Pell grants, school modernization,

IDEA, Title I grants, Head Start -- all designed, again, to make sure that we have a workforce that is ready to take jobs that hopefully the other parts of our program are creating.

All of this will be done under a system of real accountability, great transparency to the American public. And I'm hopeful that it will pass.

I read that Mr. Boehner and Mr. Cantor have already told their people -- I don't know whether "instructed" is the right word, but told their members to vote against it. They issued that before even discussing it with the President of the United States.

This is a crowd that promised in 1981 that we would balance the budget, ran up over a trillion dollars of debt. Then, in 1989, they again told us they were going to do that and ran up another trillion dollars of debt. This administration who was in control of everything for 6 years, its economic program was put in place.

The only 2 years that we were in charge of everything, 1993 and 1994, we adopted an economic program that led to 4 years of reduced deficits and 4 years of surplus and a net 8 years in the black, in positive numbers.

So I am hard put to take the advice or counsel of people who have followed policies that have put us deeply into debt and led to the weakest economy since the 1930s, when they were also in charge.

Lastly, the Ledbetter Fair Pay Act will be on the floor. As

you know, when we passed the Lilly Ledbetter Fair Pay Act, we put that "also with pay equity" sentence, sent it to the Senate as the Lilly Ledbetter Act. I expect that to pass handily.

Your turn. Yes, sir?

Q Leader, what do you think about the idea that Senator McConnell has put forward that states would spend their aid more wisely if it came in the form of a loan rather than grants?

Mr. Hoyer. Well, the problem with that, of course, if you give states a loan, they are going to have to be constrained by their ability to pay back a loan, which will mean that they will have to raise taxes on their State taxpayers because they have to balance the budget. They can't borrow the money to pay money back like we can. So we don't think that that is particularly stimulative.

Q Just in general about this argument from the GOP that they haven't had any input in the process, is there any leeway on amendments that you guys might consider?

Mr. Hoyer. The Rules Committee is now considering amendments. I fully expect Republican amendments to be made in order. I fully expect there to be a Republican substitute. We will give them the waivers necessary, both on PAYGO and other -- I haven't seen their substitutes, but such waivers as they may need to provide a substitute.

Q Not amendments?

Mr. Hoyer. And amendments.

Q But not on the text portion of the bill?

Mr. Hoyer. Probably not. But tax bills are never brought to the floor by Republicans or Democrats with amendments. We're not going to start any new precedents.

Q Is that participation though? They get to offer amendments on the floor?

Mr. Hoyer. Well, I said this last -- well, we had markups. And --

Q Of which a few of their amendments were accepted but not --

Mr. Hoyer. Well, being bipartisan does not mean having to lay down and say, "We will do whatever you want." Being bipartisan is saying, "We will talk. We will figure it out. If we can agree, we will agree." Again, bipartisan is not limited, however, as well, to a hard faction of the Republican Party that happens to reside in the House of Representatives.

The fact of the matter is, as I keep saying -- we keep quoting Mark Zandi. This is one of the principal economic advisors to the Republican candidate for the President of the United States, who says this package is just about right: It's just about right in terms of the tax cuts, it's just about right in terms of the spending, and just about right in terms of the mix.

So we worked with Mark Zandi. He was in our meetings. We talked to him. And, as you know, we had him to our caucus. We

met him around the Speaker's table, talking about, what do you think the mix ought to be?

We think that is bipartisan. Just because it happens not to be an idea that one of the House Members came up with -- although I think some of the House Members' ideas aren't bad, and I think some of their amendments are going to be made in order.

Q Mr. Leader, will you be able to call this a bipartisan package if you only have five, six, seven House Republicans vote for it? Is the vote total important, or is it the process?

Mr. Hoyer. I think both are important.

I don't know that telling your people to oppose a package as a party principle, as opposed to saying to your people, "Look, I, the leader, don't think this is a particularly good bill. If you think it is a good bill, if you think it will help get this economy moving, if you think it will help create jobs, if you think it will help feed hungry children, if you think it will help give children health care when their parents are unemployed and losing their insurance, then you ought to vote for it."

That is not the stance they have taken. They have taken a political stance. They have taken, "Our party is going to oppose it." I think that is unfortunate. It takes two people to tango, and it takes two parties and two groups to be bipartisan.

"Bi" means two, at least. And if you only have one group that wants to do something -- and that's why I keep quoting Zandi, as I said. It's not as if Republicans across the board are --

Marty Feldstein said we need tax cuts and we need spending. And I've talked to a number of Republicans who have indicated they think the House Republicans are making a mistake.

By the way, I hope a significant number of House Republicans see their way clear to voting for this bill.

Q Who are those Republicans who think it is a mistake?

Mr. Hoyer. Who I think are a mistake?

Q Who are the Republicans who are telling you that they think their party --

Mr. Hoyer. I am probably not going to categorize either list at this time. I will tell you after the vote.

Q But do you expect Republican support for your bill?

Mr. Hoyer. I hope. "Expect" would be too strong a word.

Q How many Democrats do you think you might lose? Is it going to be in double digits?

And the second question, which is not exactly related: You talked about the economists who have endorsed the plan, but you have people like Krugman and now Robert Shiller, the Yale economist --

Mr. Hoyer. Saying it is too little.

Q -- saying it is not enough to restore confidence. Are you concerned?

Mr. Hoyer. I don't think Krugman is opposed to the bill. He is just saying it is not enough. You know, "I like one spoon of sugar, but, by the way, could you put in a second one because it

is not quite sweet enough yet?" That is not so much opposition.

Krugman clearly believes much more needs to be done. There are members of our caucus who think more needs to be done. And there are, clearly, economists in the administration who aren't sure that this is enough.

But it is an awful lot. \$825 billion is an extraordinarily large package. It is more than all of the -- it is almost twice as much as all the discretionary spending last year, all of it. This is twice as much. This is the largest fiscal package anybody will have voted for in one bill.

Q You didn't say what your opinion was as to whether it is large enough.

Mr. Hoyer. I am not sure. And I think that is true of everybody who will vote on this bill and every economist who talks. You could hear \$1.2 trillion. You could hear \$2 trillion. You could hear almost any figure you want. The legislative process is not an exact science.

What we are trying to do -- we have now done another \$350 billion in the TARP. This will be \$800 billion. That is \$1.3 trillion approximately. That is a lot of money we are putting on the table.

It is, I think, justified to do so because our economy is in such deep distress and the individual consequences are very severe. So I think it is justified. But I can't honestly tell you because I don't know. But, then again, my suspicion is nobody

else does either.

Q How many Democrat "no" votes do you think?

Mr. Hoyer. I don't know. I hope fewer rather than more. I mean, the whip count is not in, so I don't have -- and even if the whip count were in, your suspicion is I probably wouldn't say in any event, hoping full well that I could convince those sheep to come back to the flock.

Q Have you heard from the administration about the family planning provision in the bill? And what are your thoughts on whether that should stay in?

Mr. Hoyer. I don't think I have heard from the administration, but I think that that will not be an issue.

Q Mr. Leader, on the D.C. voting bill, in this morning's hearing, Republicans accused Democrats of digging in the Constitution to find justification for their desire to give D.C. residents the right to vote.

Do you think that this was constitutionally -- this was something that the Framers would have expected, that the residents of the capital city with get the right to vote?

Mr. Hoyer. I quoted Madison in my testimony. Were you there?

Q Yes.

Mr. Hoyer. I quoted Madison.

Q But I just meant generally --

Mr. Hoyer. Not just Madison? Well, I didn't quote all the

rest of the Founding Fathers.

I think it is ironic that somebody would point to the Constitution of the United States, one of the great documents, imperfect as it was in terms of African Americans, in terms of women, in terms of others and not extending the franchise and the vote. To have an effective vote, you need have the representative for whom you vote have the ability to vote in the body to which you elect them.

I believe that the Constitution contemplated that every American citizen, even if they lived in Washington, D.C., would be fully represented in the Congress of the United States. That is not now the case.

And as I said -- I feel particularly strong about this -- where you are now used to be Maryland. And Maryland was asked by the Nation to give a portion of its property to the Nation as a capital. I can't believe that when we did so that we believed that the Marylanders would be disenfranchised because they lived within the confines of the district which was given to the Nation.

Q What needs to then happen to make this really happen? What is the next step?

Mr. Hoyer. 218, 60, and President Obama. And I think that will happen.

Now, there is an issue. I think it is a legitimate issue. Can we, by statute, as many constitutional experts say -- because, as you know, in the Constitution, Congress was given full

authority over the District of Columbia. It wasn't the District of Columbia then, but such territory, given full authority. And if that is the case, a proposition of many constitutional scholars is that the Congress has the authority by statute to empower the Representative to be a voting Member of the Congress of the United States.

I accept that premise. However, I view as valid the premise that, no, you have to do it by constitutional amendment. I said in my testimony that I would support the Issa amendment, the Issa amendment which we rejected last time, which I think we made a mistake, in my opinion. We should have allowed that to be in order, and we should have put that on the bill. The Senate was going to put that on the bill for accelerated consideration by the Supreme Court to determine that. So there is no question about the validity of the vote.

Q Thank you.

Mr. Hoyer. That was a pretty complete answer, I thought.

Q It was.

Q Do you think the President made the right decision to come up here to meet with the Republicans today? And do you think he can be effective in dealing with them? And do you think he is going to propose -- seek big changes when the Senate comes up with its bill?

Mr. Hoyer. Now, you have two -- the second question is a more speculative question.

But, I don't think he made a mistake by coming up to talk to the Republicans. As you know, I talk to Republicans a lot. I think that is what the process is. We ought to talk to one another, we ought to respect one another, and we ought to work with one another. That is what the American public expects us to do.

I think the American public respects President Obama's not only intention but his action. It is very nice to say you want to talk, but if you don't talk, you haven't proven your veracity. He is coming up here and wants to talk to them. I think it is very unfortunate that, before talking to him, Boehner in effect set the stage of, "Yeah, you are coming up here, but we are voting against you."

The President of the United States, elected with a significant majority, has said he believes this is essential for us to pass in order to get the economy out of the deep, deep, deep trough into which it has fallen in part because of the economic policies of the Bush administration and their failure to regulate properly and, therefore, allow excesses which have led to this deep distress.

Their party didn't get it right. The American public asked for a change. The American public voted for change. Seventy-eight percent, almost 80 percent of the American public believes that President Obama represents the change they can believe in and want. That is 80 percent, 78 percent, favorable

opinion of his policies and performance, which has been very short.

So I think the answer to your first question is he is not making a mistake. I think he is very persuasive. I hope that some Republicans understand that the country is in crisis. We have one President at a time. This President, along with a lot of Republican experts -- Tim Geithner, obviously, was very involved in the previous administration's policies -- believe that what we are proposing is necessary and appropriate. I would hope that he can convince them of it. And I hope that he would keep trying even if we don't do it on this go around.

The second question was -- we are hopeful that, again, notwithstanding the fact that it may not be large enough, but that we, on this go around, stay pretty much in the ballpark that we have set.

Q There has been some expectation that Obama would issue an executive order opening up Federal funding for stem cell research, embryonic stem cell research. But then he said in a CNN interview a couple weeks ago that he would rather see that type of legislation originate in Congress since it has such broad support.

Have you heard anything about the possibility of a bill for embryonic stem cell research?

Mr. Hoyer. We have talked about both alternatives, and both alternatives may be pursued.

Q Which do you think would be the best option?

Mr. Hoyer. I don't know that there is a best option. I think either option is a good option. I think we will pursue -- we may pursue both.

Q Simultaneously?

Mr. Hoyer. Well, not necessarily simultaneously. But right now -- I think this is a critically important issue. As you know, I voted very much and the Democrats voted strongly for allowing stem cell research. Right now we are trying to deal with the economy. This is the most important thing. And then we are going to deal with the omnibus coming up. But certainly we are going to deal with that in the relatively short term, one way or the other, or by both legislative act and executive act.

Q Mr. Hoyer, is Congress going to give itself a pay raise this year?

Mr. Hoyer. We will cross that bridge when we come to it. As you know, the formula -- we don't just get pay raises. We get cost-of-living adjustments. We haven't got a pay raise in, I guess, I don't know, a long, long time. Now, that may be a distinction without a difference because we get increased dollars in our paycheck. But we think the cost-of-living adjustment is different.

But, as you know, the formula says if the private sector doesn't get it, we don't get it. So the formula may take care of that question for us, unfortunately, unfortunately. I am not happy about that. But the ECI, the Economic Cost Index, may show

that employees in the private sector unfortunately did not move forward. Under those circumstances, the law specifically says that we don't move forward. So the law may take care of itself. And we will cross that bridge when we come to it.

Q Should Congress be doing anything now regarding Iraq or Afghanistan? It was such a big issue in the Presidential campaign, but it hasn't been an issue on the Hill.

Mr. Hoyer. Again, the economic crisis is the most important one. Then we need to get the omnibus done, the appropriations bill, so we can get last year behind us, if you will.

But the President has moved very decisively and very quickly and asked Secretary Gates to work with the military leadership of our country to forge a plan for the 16-month transition that he discussed in his campaign. Frankly, the 16 months became pretty much a consensus, even in the Bush administration, about the time frame in which to transition.

He has also dealt with Guantanamo; he has dealt with interrogation. So he is dealing pretty quickly with major issues. He also dealt with Afghanistan, in terms of talking to Gates about the plan for putting 30,000 more troops in Afghanistan.

But I think both of those issues are going to require substantial attention over the next months. But right now we are very focused on -- the military continues to be obviously very focused on Iraq and Afghanistan. Afghanistan, obviously, is not going as well as we would like.

Q What are you thinking about for next week?

Mr. Hoyer. The omnibus, essentially. I mean, there will be other things, but the omnibus.

Q Will that bill include war funding?

Mr. Hoyer. No. We passed those bills.

Q Through March, right?

Mr. Hoyer. We passed Defense, we passed Homeland Security, and we passed veterans, MILCON, which is veterans.

Q You don't need another supplemental?

Mr. Hoyer. We are going to need another supplemental, I think, but it will not be dealt with in the omnibus. The omnibus will be the nondefense items.

Q Do you plan to abide by President Obama's request that the number of earmarks be reduced to the 1994 levels, as far as the omnibus?

Mr. Hoyer. We have substantially reduced them. And Mr. Obey and Mr. Inouye, the chairmen of the House and Senate Appropriations Committees, have put forth a plan to substantially reduce the number of earmarks, and we will pursue that plan.

Q Their plan, not the President's plan?

Mr. Hoyer. I don't know if the President has a plan. I know he articulated a benchmark, but I think we will pursue the plan that we put in place -- which I think we shared the view of substantial reduction in earmarks. As you know, one of the things that we made a point of is that, in this \$825 billion bill, there

are no earmarks, none, zero.

Q Mr. Hoyer, there is growing opposition to the SCHIP bill in the Senate among Republicans. If it fails in the Senate, how much are you willing to compromise, tweak the bill, to get enough Republican votes to push it through?

Mr. Hoyer. Well, first of all, I want to see, you know, what happens in the Senate before I anticipate what we would want to tweak. I don't want to start dealing before I have lost, if you will. I am hopeful that they will get the 60 votes necessary to move forward and the necessary votes to pass the bill in a fashion that will essentially replicate the House bill.

The House bill, after all, was very, very close to the Senate-passed bill which got 67, 66 -- got two-thirds, I forget whether it was 67 -- and I would hope that they would pass that.

The one difference is of course the legal, authorized-to-be-in-the-country children. President Obama has made it very clear that he won't sign a bill unless it has those children in it. We agree with that on this side. We agreed with it in the CHAMP bill that we passed 2 years ago. So I am hopeful that the Senate will pass it in a form that the President will sign it.

So I hear what you are saying, but I don't want to anticipate what changes -- I don't think -- the President has made it pretty clear he is not willing to make a change on that.

Q Mr. Leader?

Mr. Hoyer. That was the last question, but I will take yours anyway.

Q Well, I appreciate it. Thank you.

Are you going to move a statutory PAYGO bill after the Economic Recovery Act? And, if so, how quickly?

Mr. Hoyer. I have talked to the President. Number one, I have talked to Rahm Emanuel and I have talked to Larry Summers about statutory PAYGO and PAYGO generally and fiscal planning to bring us out of this deep hole that I think it is necessary for us to create. I want to make it clear. And I think most of the Blue Dogs understand that it is necessary to deficit-finance our efforts out of this trough.

On the other hand, I share the Blue Dogs' view and Speaker Pelosi's view and President Obama's view that we need to have a plan to get out of this. Part of that, I think, will be PAYGO. Now, statutory PAYGO will be part of that discussion. As you know, the President is going to schedule a fiscal summit for next month -- I think that is a very positive sign -- to discuss ways and means of, as we move through this, having a long-term plan for fiscal balance.

Thank you very much.

[Whereupon, at 12:32 p.m., the press conference was concluded.]