



AmericanRhetoric.com

Barack Obama

Final First Term Press Conference

delivered 14 January 2013



AUTHENTICITY CERTIFIED: Text version below transcribed directly from audio

Please have a seat, everybody. Good morning. I thought it might make sense to take some questions this week, as my first term comes to an end.

It's been a busy and productive four years. And I expect the same for the next four years. I intend to carry out the agenda that I campaigned on -- an agenda for new jobs, new opportunity, and new security for the middle class.

Right now, our economy is growing, and our businesses are creating new jobs, so we are poised for a good year if we make smart decisions and sound investments -- and as long as Washington politics don't get in the way of America's progress.

As I said on the campaign, one component to growing our economy and broadening opportunity for the middle class is shrinking our deficits in a balanced and responsible way. And for nearly two years now, I've been fighting for such a plan -- one that would reduce our deficits by \$4 trillion over the next decade, which would stabilize our debt and our deficit in a sustainable way for the next decade. That would be enough not only to stop the growth of our debt relative to the size of our economy, but it would make it manageable so it doesn't crowd out the investments we need to make in people and education and job training and science and medical research -- all the things that help us grow.



AmericanRhetoric.com

Now, step by step, we've made progress towards that goal. Over the past two years, I've signed into law about \$1.4 trillion in spending cuts. Two weeks ago, I signed into law more than \$600 billion in new revenue by making sure the wealthiest Americans begin to pay their fair share. When you add the money that we'll save in interest payments on the debt, all together that adds up to a total of about \$2.5 trillion in deficit reduction over the past two years -- not counting the \$400 billion already saved from winding down the wars in Iraq and Afghanistan.

So we've made progress. We are moving towards our ultimate goal of getting to a \$4 trillion reduction. And there will be more deficit reduction when Congress decides what to do about the \$1.2 trillion in automatic spending cuts that have been pushed off until next month.

The fact is, though, we can't finish the job of deficit reduction through spending cuts alone. The cuts we've already made to priorities other than Medicare, Medicaid, Social Security and defense mean that we spend on everything from education to public safety less as a share of our economy than it has -- than has been true for a generation. And that's not a recipe for growth.

So we've got to do more both to stabilize our finances over the medium and long term, but also spur more growth in the short term. I've said I'm open to making modest adjustments to programs like Medicare to protect them for future generations. I've also said that we need more revenue through tax reform by closing loopholes in our tax code for the wealthiest Americans. If we combine a balanced package of savings from spending on health care and revenues from closing loopholes, we can solve the deficit issue without sacrificing our investments in things like education that are going to help us grow.

It turns out the American people agree with me. They listened to an entire year's debate over this issue, and they made a clear decision about the approach they prefer. They don't think it's fair, for example, to ask a senior to pay more for his or her health care, or a scientist to shut down lifesaving research so that a multimillionaire investor can pay less in tax rates than a secretary. They don't think it's smart to protect endless corporate loopholes and tax breaks for the wealthiest Americans rather than rebuild our roads and our schools, invest in our workers' skills, or help manufacturers bring jobs back to America. So they want us to get our books in order in a balanced way, where everybody pulls their weight, everyone does their part.

That's what I want as well. That's what I've proposed. And we can get it done, but we're going to have to make sure that people are looking at this in a responsible way rather than just through the lens of politics.

Now, the other congressionally imposed deadline coming up is the so-called debt ceiling -- something most Americans hadn't even heard of before two years ago. I want to be clear about this. The debt ceiling is not a question of authorizing more spending.



AmericanRhetoric.com

Raising the debt ceiling does not authorize more spending. It simply allows the country to pay for spending that Congress has already committed to. These are bills that have already been racked up and we need to pay them.

So while I'm willing to compromise and find common ground over how to reduce our deficits, America cannot afford another debate with this Congress about whether or not they should pay the bills they've already racked up.

If congressional Republicans refuse to pay America's bills on time, Social Security checks and veterans' benefits will be delayed. We might not be able to pay our troops, or honor our contracts with small business owners. Food inspectors, air traffic controllers, specialists who track down loose nuclear material wouldn't get their paychecks. Investors around the world will ask if the United States of America is, in fact, a safe bet. Markets could go haywire. Interest rates would spike for anybody who borrows money -- every homeowner with a mortgage, every student with a college loan, every small business owner who wants to grow and hire. It would be a self-inflicted wound on the economy. It would slow down our growth, might tip us into recession, and ironically, would probably increase our deficit.

So to even entertain the idea of this happening -- of the United States of America not paying its bills -- is irresponsible. It's absurd. As the Speaker said two years ago, it would be -- and I'm quoting Speaker Boehner now -- "a financial disaster, not only for us, but for the worldwide economy."

So we've got to pay our bills. And Republicans in Congress have two choices here: They can act responsibly, and pay America's bills; or they can act irresponsibly, and put America through another economic crisis. But they will not collect a ransom in exchange for not crashing the American economy. The financial well-being of the American people is not leverage to be used. The full faith and credit of the United States of America is not a bargaining chip.

And they better choose quickly, because time is running short. The last time Republicans in Congress even flirted with this idea, our AAA credit rating was downgraded for the first time in our history; our businesses created the fewest jobs of any month in nearly the past three years; and, ironically, the whole fiasco actually added to the deficit.

So it shouldn't be surprising, given all this talk, that the American people think Washington is hurting, rather than helping, the country at the moment. They see their representatives consumed with partisan brinksmanship over paying our bills, while they overwhelmingly want us to focus on growing the economy and creating more jobs.

So let's finish this debate. Let's give our businesses and the world the certainty that our economy and our reputation are still second to none. We pay our bills. We handle our business. And then we can move on -- because America has a lot to do.



AmericanRhetoric.com

We've got to create more jobs. We've got to boost the wages of those who have work. We've got to reach for energy independence. We've got to reform our immigration system. We've got to give our children the best education possible, and we've got to do everything we can to protect them from the horrors of gun violence.

And let me say I'm grateful to Vice President Biden for his work on this issue of gun violence and for his proposals, which I'm going to be reviewing today and I will address in the next few days and I intend to vigorously pursue.

So, with that, I'm going to take some questions. And I'm going to start with Julie Pace of AP. And I want to congratulate Julie for this new, important job.

Question: Thank you very much.

President Obama: Yes.

Question: I wanted to ask about gun violence. Today marks the one-year -- or one-month anniversary of the shooting in Newtown, which seemed to generate some momentum for reinstating the assault weapons ban. But there's been fresh opposition to that ban from the NRA. And even Harry Reid has said that he questions whether it could pass Congress. Given that, how hard will you push for an assault weapons ban? And if one cannot pass Congress, what other measures would need to be included in a broad package in order to curb gun violence successfully?

President Obama: Well, as I said, the Vice President and a number of members of my Cabinet went through a very thorough process over the last month, meeting with a lot of stakeholders in this including the NRA, listened to proposals from all quarters, and they've presented me now with a list of sensible, common-sense steps that can be taken to make sure that the kinds of violence we saw at Newtown doesn't happen again.

I'm going to be meeting with the Vice President today. I expect to have a fuller presentation later in the week to give people some specifics about what I think we need to do.

My starting point is not to worry about the politics; my starting point is to focus on what makes sense, what works; what should we be doing to make sure that our children are safe and that we're reducing the incidents of gun violence. And I think we can do that in a sensible way that comports with the Second Amendment.

And then members of Congress I think are going to have to have a debate and examine their own conscience -- because if, in fact -- and I believe this is true -- everybody across party lines was as deeply moved and saddened as I was by what happened in Newtown, then we're going to have to vote based on what we think is best. We're going to have to come up with answers that set politics aside. And that's what I expect Congress to do.



AmericanRhetoric.com

But what you can count is, is that the things that I've said in the past -- the belief that we have to have stronger background checks, that we can do a much better job in terms of keeping these magazine clips with high capacity out of the hands of folks who shouldn't have them, an assault weapons ban that is meaningful -- that those are things I continue to believe make sense.

Will all of them get through this Congress? I don't know. But what's uppermost in my mind is making sure that I'm honest with the American people and with members of Congress about what I think will work, what I think is something that will make a difference. And to repeat what I've said earlier -- if there is a step we can take that will save even one child from what happened in Newtown, we should take that step.

Question: Can a package be discussed to allow an assault weapons ban?

President Obama: I'll present the details later in the week.

Chuck Todd, NBC.

Question: Thank you, sir. As you know, the Senate Democrats, Harry Reid sent you a letter begging you, essentially, to take -- consider some sort of executive action on this debt ceiling issue. I know you've said you're not negotiating on it. Your administration has ruled out the various ideas that have been out there -- the 14th Amendment. But just this morning, one of the House Democratic leaders, Jim Clyburn, asked you to use the 14th Amendment and even said, sometimes that's what it takes. He brought up the Emancipation Proclamation as saying it took executive action when Congress wouldn't act, and he compared the debt ceiling to that. So are you considering a plan B, and if not, why not?

President Obama: Well, Chuck, the issue here is whether or not America pays its bills. We are not a deadbeat nation. And so there's a very simple solution to this: Congress authorizes us to pay our bills.

Now, if the House and the Senate want to give me the authority so that they don't have to take these tough votes, if they want to put the responsibility on me to raise the debt ceiling, I'm happy to take it. Mitch McConnell, the Republican Leader in the Senate, had a proposal like that last year, and I'm happy to accept it. But if they want to keep this responsibility, then they need to go ahead and get it done.

And there are no magic tricks here. There are no loopholes. There are no easy outs. This is a matter of Congress authorizes spending. They order me to spend. They tell me, you need to fund our Defense Department at such and such a level; you need to send out Social Security checks; you need to make sure that you are paying to care for our veterans. They lay all this out for me because they have the spending power. And so I am required by law to go ahead and pay these bills.



AmericanRhetoric.com

Separately, they also have to authorize the raising of the debt ceiling in order to make sure that those bills are paid. And so, what Congress can't do is tell me to spend X, and then say, but we're not going to give you the authority to go ahead and pay the bills.

And I just want to repeat -- because I think sometimes the American people, understandably, aren't following all the debates here in Washington -- raising the debt ceiling does not authorize us to spend more. All it does is say that America will pay its bills. And we are not a dead-beat nation. And the consequences of us not paying our bills, as I outlined in my opening statement, would be disastrous.

So I understand the impulse to try to get around this in a simple way. But there's one way to get around this. There's one way to deal with it. And that is for Congress to authorize me to pay for those items of spending that they have already authorized.

And the notion that Republicans in the House, or maybe some Republicans in the Senate, would suggest that "in order for us to get our way on our spending priorities, that we would risk the full faith and credit of the United States" -- that I think is not what the Founders intended. That's not how I think most Americans think our democracy should work. They've got a point of view; Democrats in Congress have a point of view. They need to sit down and work out a compromise.

Question: You just outlined an entire rationale for why this can't happen.

President Obama: Yes.

Question: And if -- then if -- and you're not negotiating on the debt ceiling.

President Obama: Yes.

Question: So you're not negotiating and they say you have to negotiate, and you're not considering another plan B, then do you just wait it out and we do go -- we do see all these things happen?

President Obama: Well look, Chuck, there are -- there's a pretty straightforward way of doing this and that is to set the debt ceiling aside, we pay our bills, and then we have a vigorous debate about how we're going to do further deficit reduction in a balanced way.

Keep in mind that what we've heard from some Republicans in both the House and the Senate is that they will only increase the debt ceiling by the amount of spending cuts that they're able to push through and -- in order to replace the automatic spending cuts of the sequester -- that's \$1.2 trillion. Say it takes another trillion or trillion-two to get us through one more year, they'd have to identify \$2.5 trillion in cuts just to get the debt ceiling extended to next year -- \$2.5 trillion.



AmericanRhetoric.com

They can't even -- Congress has not been able to identify \$1.2 trillion in cuts that they're happy with. Because these same Republicans say they don't want to cut defense; they've claimed that they don't want to gut Medicare or harm the vulnerable. But the truth of the matter is that you can't meet their own criteria without drastically cutting Medicare, or having an impact on Medicaid, or affecting our defense spending. So the math just doesn't add up.

Now, here's what would work. What would work would be for us to say we've already done close to \$2 trillion in deficit reduction, and if you add the interest that we won't be paying because of less spending and increased revenue, it adds up to about \$2.5 trillion. The consensus is we need about \$4 trillion to stabilize our debt and our deficit, which means we need about \$1.5 trillion more. The package that I offered to Speaker Boehner before we -- before the New Year would achieve that. We were actually fairly close in terms of arriving at that number.

So if the goal is to make sure that we are being responsible about our debt and our deficit, if that's the conversation we're having, I'm happy to have that conversation. And by closing some additional loopholes through tax reform -- which Speaker Boehner has acknowledged can raise money in a sensible way -- and by doing some additional cuts, including making sure that we are reducing our health care spending, which is the main driver of our deficits, we can arrive at a package that gets this thing done.

I'm happy to have that conversation. What I will not do is to have that negotiation with a gun at the head of the American people -- the threat that "unless we get our way, unless you gut Medicare or Medicaid, or otherwise slash things that the American people don't believe should be slashed, that we're going to threaten to wreck the entire economy." That is not how historically this has been done. That's not how we're going to do it this time.

Question: No plan B? You're not searching for any other --

President Obama: Chuck, what I'm saying to you is that there is no simpler solution, no ready, credible solution, other than Congress either give me the authority to raise the debt ceiling, or exercise the responsibility that they have kept for themselves and raise the debt ceiling. Because this is about paying your bills.

Everybody here understands this. I mean, this is not a complicated concept. You don't go out to dinner and then eat all you want, and then leave without paying the check. And if you do, you're breaking the law. And Congress should think about it the same way that the American people do. You don't -- now, if Congress wants to have a debate about maybe we shouldn't go out to dinner next time, maybe we should go to a more modest restaurant, that's fine. That's a debate that we should have. But you don't say, in order for me to control my appetites, I'm going to not pay the people who already provided me services, people who already lent me the money. That's not showing any discipline. All that's doing is not meeting your obligations. You can't do that.



AmericanRhetoric.com

And that's not a credible way to run this government. We've got to stop lurching from crisis to crisis to crisis, when there's this clear path ahead of us that simply requires some discipline, some responsibility and some compromise. That's where we need to go. That's how this needs to work.

Major Garrett.

Question: Thank you, Mr. President. As you well know, sir, finding votes for the debt ceiling can sometimes be complicated.

You, yourself, as a member of the Senate, voted against a debt ceiling increase. And in previous aspects of American history -- President Reagan in 1985, President George Herbert Walker Bush in 1990, President Clinton in 1997 -- all signed deficit reduction deals that were contingent upon or in the context of raising the debt ceiling. You, yourself, four times have done that. Three times, those were related to deficit reduction or budget maneuvers.

What Chuck and I and I think many people are curious about is this new, adamant desire on your part not to negotiate, when that seems to conflict with the entire history in the modern era of American Presidents and the debt ceiling, and your own history on the debt ceiling. And doesn't that suggest that we are going to go into a default situation because no one is talking to each other about how to resolve this?

President Obama: Well, no, Major, I think if you look at the history, getting votes for the debt ceiling is always difficult, and budgets in this town are always difficult. I went through this just last year. But what's different is we never saw a situation as we saw last year in which certain groups in Congress took such an absolutist position that we came within a few days of defaulting. And the fact of the matter is, is that we have never seen the debt ceiling used in this fashion, where the notion was, you know what, we might default unless we get 100 percent of what we want. That hasn't happened.

Now, as I indicated before, I'm happy to have a conversation about how we reduce our deficits further in a sensible way. Although one thing I want to point out is that the American people are also concerned about how we grow our economy, how we put people back to work, how we make sure that we finance our workers getting properly trained and our schools are giving our kids the education we deserve. There's a whole growth agenda which will reduce our deficits that's important as well.

But what you've never seen is the notion that has been presented, so far at least, by the Republicans that deficit reduction -- we'll only count spending cuts; that we will raise the deficit -- or the debt ceiling dollar for dollar on spending cuts. There are a whole set of rules that have been established that are impossible to meet without doing severe damage to the economy.



AmericanRhetoric.com

And so what we're not going to do is put ourselves in a position where in order to pay for spending that we've already incurred, that our two options are we're either going to profoundly hurt the economy and hurt middle-class families and hurt seniors and hurt kids who are trying to go to college, or, alternatively, we're going to blow up the economy. We're not going to do that.

Question: [Inaudible] -- open to a one-to-three-month extension to the debt ceiling -- whatever Congress sends you, you're okay with it?

President Obama: No, not whatever Congress sends me. They're going to have to send me something that's sensible. And we shouldn't be doing this --

Question: -- [inaudible] --

President Obama: -- and we shouldn't be doing this on a one to three-month timeframe. Why would we do that? This is the United States of America, Major. What, we can't manage our affairs in such a way that we pay our bills and we provide some certainty in terms of how we pay our bills?

Look, I don't think anybody would consider my position unreasonable here. I have --

Question: But why does it presuppose the need to negotiate and talk about this on a daily basis? Because if default is the biggest threat to the economy, why not talk about it --

President Obama: Major, I am happy to have a conversation about how we reduce our deficits. I'm not going to have a monthly or every-three-months conversation about whether or not we pay our bills. Because that in and of itself does severe damage. Even the threat of default hurts our economy. It's hurting our economy as we speak. We shouldn't be having that debate.

If we want to have a conversation about how to reduce our deficit, let's have that. We've been having that for the last two years. We just had an entire campaign about it. And by the way, the American people agreed with me that we should reduce our deficits in a balanced way that also takes into account the need for us to grow this economy and put people back to work.

And despite that conversation, and despite the election results, the position that's been taken on the part of some House Republicans is that, "no, we've got to do it our way, and if we don't, we simply won't pay America's bills." Well, that can't be a position that is sustainable over time. It's not one that's good for the economy now. It's certainly not going to be the kind of precedent that I want to establish not just for my presidency, but for future Presidents, even if it was on the other side.



AmericanRhetoric.com

Democrats don't like voting for the debt ceiling when a Republican is President, and yet you -- but you never saw a situation in which Democrats suggested somehow that we would go ahead and default if we didn't get 100 percent of our way. That's just not how it's supposed to work.

Jon Karl.

Question: Thank you, Mr. President. On the issue of guns, given how difficult it will be -- some would say impossible -- to get any gun control measure passed through this Congress, what are you willing or able to do, using the powers of your presidency, to act without Congress? And I'd also like to know, what do you make of these long lines we're seeing at gun shows and gun stores all around the country? I mean, even in Connecticut, applications for guns are up since the shooting in Newtown.

President Obama: Well, my understanding is the Vice President is going to provide a range of steps that we can take to reduce gun violence. Some of them will require legislation. Some of them I can accomplish through executive action. And so I'll be reviewing those today. And as I said, I'll speak in more detail to what we're going to go ahead and propose later in the week.

But I'm confident that there are some steps that we can take that don't require legislation and that are within my authority as President. And where you get a step that has the opportunity to reduce the possibility of gun violence then I want to go ahead and take it.

Question: Any idea of what kind of steps?

President Obama: Well, I think, for example, how we are gathering data, for example, on guns that fall into the hands of criminals, and how we track that more effectively -- there may be some steps that we can take administratively as opposed through legislation.

As far as people lining up and purchasing more guns, I think that we've seen for some time now that those who oppose any common-sense gun control or gun safety measures have a pretty effective way of ginning up fear on the part of gun owners that somehow the federal government is about to take all your guns away. And there's probably an economic element to that. It obviously is good for business.

But I think that those of us who look at this problem have repeatedly said that responsible gun owners, people who have a gun for protection, for hunting, for sportsmanship, they don't have anything to worry about. The issue here is not whether or not we believe in the Second Amendment. The issue is, are there some sensible steps that we can take to make sure that somebody like the individual in Newtown can't walk into a school and gun down a bunch of children in a shockingly rapid fashion. And surely, we can do something about that.



AmericanRhetoric.com

But part of the challenge that we confront is, is that even the slightest hint of some sensible, responsible legislation in this area fans this notion that somehow, here it comes and everybody's guns are going to be taken away. It's unfortunate, but that's the case. And if you look at over the first four years of my administration, we've tried to tighten up and enforce some of the laws that were already on the books. But it would be pretty hard to argue that somehow gun owners have had their rights infringed.

Question: So you think this is an irrational fear that's driving all these people to go and stock up --

President Obama: Excuse me?

Question: Do you think this is an irrational fear --

President Obama: Well, as I said, I think it's a fear that's fanned by those who are worried about the possibility of any legislation getting out there.

Julianna Goldman.

Question: Thank you, Mr. President. I just want to come back to the debt ceiling, because in the summer of 2011, you said that you wouldn't negotiate on the debt ceiling, and you did. Last year, you said that you wouldn't extend any of the Bush tax cuts for the wealthy, and you did. So as you say now that you're not going to negotiate on the debt ceiling this year, why should House Republicans take that seriously and think that if we get to the one-minute-to-midnight scenario, that you're not going to back down?

President Obama: Well, first of all, Julianna, let's take the example of this year and the fiscal cliff. I didn't say that I would not have any conversations at all about extending the Bush tax cuts. What I said was we weren't going to extend Bush tax cuts for the wealthy -- and we didn't. Now, you can argue that during the campaign I said -- I set the criteria for wealthy at \$250,000 and we ended up being at \$400,000. But the fact of the matter is millionaires, billionaires are paying significantly more in taxes, just as I said. So from the start, my concern was making sure that we had a tax code that was fair and that protected the middle class, and my biggest priority was making sure that middle-class taxes did not go up.

The difference between this year and 2011 is the fact that we've already made \$1.2 trillion in cuts. And at the time, I indicated that there were cuts that we could sensibly make that would not damage our economy, would not impede growth. I said at the time I think we should pair it up with revenue in order to have an overall balanced package. But my own budget reflected cuts in discretionary spending. My own budget reflected the cuts that needed to be made, and we've made those cuts.



AmericanRhetoric.com

Now, the challenge going forward is that we've now made some big cuts, and if we're going to do further deficit reduction, the only way to do it is in a balanced and responsible way.

The alternative is for us to go ahead and cut commitments that we've made on things like Medicare, or Social Security, or Medicaid, and for us to fundamentally change commitments that we've made to make sure that seniors don't go into poverty, or that children who are disabled are properly cared for. For us to change that contract we've made with the American people rather than look at options like closing loopholes for corporations that they don't need, that points to a long-term trend in which we have fundamentally, I think, undermined what people expect out of this government -- which is that parties sit down, they negotiate, they compromise, but they also reflect the will of the American people; that you don't have one narrow faction that is able to simply dictate 100 percent of what they want all the time or otherwise threaten that we destroy the American economy.

Another way of putting it is we've got to break the habit of negotiating through crisis over and over again. And now is as good of a time as any, at the start of my second term, because if we continue down this path, then there's really no stopping the principle. I mean, literally -- even in divided government, even where we've got a Democratic President and a Democratic Senate, that a small group in the House of Representatives could simply say every two months, every three months, every six months, every year, we are going to more and more change the economy in ways that we prefer, despite strong objections of Americans all across the country, or otherwise we're going to have America not pay its bills. And that is no way for us to do business.

And by the way, I would make the same argument if it was a Republican President and a Republican Senate and you had a handful of Democrats who were suggesting that we are going to hijack the process and make sure that either we get our way 100 percent of the time, or otherwise we are going to default on America's obligations.

Question: [Inaudible] -- line in the sand negotiating, how is that [inaudible] to the economy?

President Obama: No, no, look, what I've said is that I'm happy to have a conversation about deficit reduction --

Question: So you technically are willing to negotiate?

President Obama: No, Julianna, look, this is pretty straightforward. Either Congress pays its bills or it doesn't. Now, if -- and they want to keep this responsibility; if John Boehner and Mitch McConnell think that they can come up with a plan that somehow meets their criteria that they've set for why they will -- when they will raise the debt ceiling, they're free to go ahead and try. But the proposals that they've put forward in order to accomplish that -- only by cutting spending -- means cuts to things like Medicare and education that the American people profoundly reject.



AmericanRhetoric.com

Now, if they think that they can get that through Congress, then they're free to try. But I think that a better way of doing this is go ahead and say, we're going to pay our bills. The question now is how do we actually get our deficit in a manageable, sustainable way? And that's a conversation I'm happy to have.

All right. Matt Spetalnick.

Question: Thank you, sir. You've spoken extensively about the debt ceiling debate, but some Republicans have further said that they're willing to allow a government shutdown to take place rather than put off deep spending cuts. Are you prepared to allow the government to grind to a halt if you disagree with the spending cut proposals they put forth? And who do you think the American people would blame if that came to pass?

President Obama: Well, ultimately, Congress makes the decisions about whether or not we spend money and whether or not we keep this government open. And if the Republicans in Congress have made a decision that they want to shut down the government in order to get their way then they have the votes at least in the House of Representatives, probably, to do that.

I think that would be a mistake. I think it would be profoundly damaging to our economy. I think it would actually add to our deficit because it will impede growth. I think it's shortsighted. But they're elected representatives, and folks put them into those positions and they're going to have to make a decision about that. And I don't -- I suspect that the American people would blame all of Washington for not being able to get its act together.

But the larger issue here has to do with what is it that we're trying to accomplish. Are we trying to reduce the deficit? Because if we're trying to reduce the deficit, then we can shape a bipartisan plan to reduce the deficit. I mean, is that really our objective? Our concern is that we're spending more than we take in, and if that's the case, then there's a way of balancing that out so that we take in more money in increasing revenue and we reduce spending. And there's a recipe for getting that done.

And in the conversations that I had with Speaker Boehner before the end of the year, we came pretty close -- a few hundred billion dollars separating us when stretched over a 10-year period, that's not a lot.

But it seems as if what's motivating and propelling at this point some of the House Republicans is more than simply deficit reduction. They have a particular vision about what government should and should not do. So they are suspicious about government's commitments, for example, to make sure that seniors have decent health care as they get older. They have suspicions about Social Security. They have suspicions about whether government should make sure that kids in poverty are getting enough to eat, or whether we should be spending money on medical research. So they've got a particular view of what government should do and should be.



AmericanRhetoric.com

And that view was rejected by the American people when it was debated during the presidential campaign. I think every poll that's out there indicates that the American people actually think our commitment to Medicare or to education is really important, and that's something that we should look at as a last resort in terms of reducing the deficit, and it makes a lot more sense for us to close, for example, corporate loopholes before we go to putting a bigger burden on students or seniors.

But if the House Republicans disagree with that and they want to shut down the government to see if they can get their way on it, that's their prerogative. That's how the system is set up. It will damage our economy.

The government is a big part of this economy, and it's interesting that a lot of times you have people who recognize that when it comes to defense spending -- some of the same folks who say we've got to cut spending, or complain that government jobs don't do anything, when it comes to that defense contractor in their district, they think, wow, this is a pretty important part of the economy in my district and we shouldn't stop spending on that. Let's just make sure we're not spending on those other folks.

Question: -- find agreement with Republicans on this and --

President Obama: Look, my hope is, is that common sense prevails. That's always my preference. And I think that would be the preference of the American people, and that's what would be good for the economy.

So let me just repeat: If the issue is deficit reduction, getting our deficits sustainable over time, getting our debt in a sustainable place, then Democrats and Republicans in Congress will have a partner with me.

We can achieve that, and we can achieve it fairly quickly. I mean, we know what the numbers are. We know what needs to be done. We know what a balanced approach would take. We've already done probably more than half of the deficit reduction we need to stabilize the debt and the deficit. There's probably been more pain and drama in getting there than we needed. And so finishing the job shouldn't be that difficult -- if everybody comes to the conversation with an open mind, and if we recognize that there are some things, like not paying our bills, that should be out of bounds.

All right. I'm going to take one last question. Jackie Calmes.

Question: Thank you, Mr. President.

President Obama: Yes.



AmericanRhetoric.com

Question: I'd like to ask you, now that you've reached the end of your first term, starting your second, about a couple of criticisms -- one that's longstanding, another more recent. The longstanding one seems to have become a truism of sorts that you're -- you and your staff are too insular, that you don't socialize enough. And the second, the more recent criticism is that your team taking shape isn't diverse -- isn't as diverse as it could be, or even was, in terms of getting additional voices, gender, race, ethnic diversity. So I'd like you to address both of those.

President Obama: Sure. Let me take the second one first. I'm very proud that in the first four years we had as diverse, if not more diverse, a White House and a Cabinet than any in history. And I intend to continue that, because it turns out that when you look for the very best people, given the incredible diversity of this country, you're going to end up with a diverse staff and a diverse team. And that very diversity helps to create more effective policymaking and better decision-making for me, because it brings different perspectives to the table.

So if you think about my first four years, the person who probably had the most influence on my foreign policy was a woman. The people who were in charge of moving forward my most important domestic initiative, health care, were women. The person in charge of our homeland security was a woman. My two appointments to the Supreme Court were women, and 50 percent of my White House staff were women. So I think people should expect that that record will be built upon during the next four years.

Now, what, I've made four appointments so far? And one women -- admittedly, a high-profile one -- is leaving the -- has already left the administration, and I have made a replacement. But I would just suggest that everybody kind of wait until they've seen all my appointments, who's in the White House staff and who's in my Cabinet before they rush to judgment.

Question: [Inaudible] -- the big three.

President Obama: Yes, but I guess what I'm saying, Jackie, is that I think until you've seen what my overall team looks like, it's premature to assume that somehow we're going backwards. We're not going backwards, we're going forward.

With respect to this "truism" about me not socializing enough and patting folks on the back and all that stuff, most people who know me know I'm a pretty friendly guy. And I like a good party. And the truth is that when I was in the Senate, I had great relationships over there, and up until the point that I became President this was not an accusation that you heard very frequently.

I think that really what's gone on in terms of some of the paralysis here in Washington or difficulties in negotiations just have to do with some very stark differences in terms of policy, some very sharp differences in terms of where we stand on issues.



AmericanRhetoric.com

And if you think about, let's say, myself and Speaker Boehner, I like Speaker Boehner personally, and when we went out and played golf we had a great time. But that didn't get a deal done in 2011. When I'm over here at the congressional picnic and folks are coming up and taking pictures with their family, I promise you, Michelle and I are very nice to them and we have a wonderful time. But it doesn't prevent them from going onto the floor of the House and blasting me for being a big-spending socialist.

And the reason that, in many cases, Congress votes the way they do, or talks the way they talk, or takes positions in negotiations that they take doesn't have to do with me. It has to do with the imperatives that they feel in terms of their own politics -- right? They're worried about their district. They're worried about what's going on back home.

I think there are a lot of Republicans at this point that feel that given how much energy has been devoted in some of the media that's preferred by Republican constituencies to demonize me, that it doesn't look real good socializing with me. Charlie Crist down in Florida I think testifies to that. And I think a lot of folks say, well, if we look like we're being too cooperative or too chummy with the President that might cause us problems. That might be an excuse for us to get a challenge from somebody in a primary.

So that tends to be the challenge. I promise you, we invite folks from Congress over here all the time. And when they choose to come, I enjoy their company. Sometimes they don't choose to come, and that has to do with the fact that I think they don't consider the optics useful for them politically. And, ultimately, the way we're going to get stuff done -- personal relationships are important, and obviously I can always do a better job, and the nice thing is, is that now that my girls are getting older, they don't want to spend that much time with me anyway, so I'll be probably calling around, looking for somebody to play cards with me or something, because I'm getting kind of lonely in this big house. So maybe a whole bunch of members of the House Republican caucus want to come over and socialize more.

But my suspicion is getting the issues resolved that we just talked about, the big stuff -- whether or not we get sensible laws passed to prevent gun violence, whether or not America is paying its bills, whether or not we get immigration reform done -- all that's going to be determined largely by where the respective parties stand on policy, and maybe most importantly, the attitude of the American people.

If the American people feel strongly about these issues and they push hard, and they reward or don't reward members of Congress with their votes, if they reject sort of uncompromising positions or sharp partisanship or always looking out for the next election, and they reward folks who are trying to find common ground, then I think you'll see behavior in Congress change. And that will be true whether I'm the life of the party or a stick in the mud.

Thank you very much, everybody.