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Press Briefing by Press Secretary Jay Carney, 5/31/2011

James S. Brady Press Briefing Room

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MR. CARNEY: Good afternoon, ladies and gentlemen. I have no announcements to make, so I'll start with questions.

Ben.

Q Thanks. Two topics, please. I wanted to ask you about what the President's take is on this House Republican vote tonight on rejecting a debt limit increase unless there's big spending cuts. Does he think that this vote is a matter of substantive policy, or is this gamesmanship?

MR. CARNEY: Well, the President, as you know, agrees with members of both parties in Congress that we need to do something serious about deficit reduction. That is why, among many other measures that he's taken, he asked the Vice President to lead the negotiations that Vice President is leading towards that end. And those negotiations have made progress, in our view, and we remain confident that there will be an agreement that will significantly reduce the deficit and answer the mail, if you will, with regard to those concerns that the President and members of both parties share.

We also believe quite strongly that we have to raise the debt ceiling -- there is no option to doing that -- and that that will happen, because the economic impacts of not voting to raise the debt ceiling would be calamitous. Both will happen, we believe, and both are happening concurrently and, in many ways, on parallel tracks. So the President looks forward to an agreement on deficit reduction and to the Congress doing what it must do, which is vote to raise the debt ceiling that so that we, as the United States of America, continue to honor our obligations and pay our debts.

Q Okay. But given all that, what is his reaction to what's happening on the House side tonight, and what kind of tone does he think it sets for this meeting --

MR. CARNEY: Well, look, I think the President is aware that members of Congress have in various ways, including this one, expressed their opinion that there needs to be significant deficit reduction, and many have expressed an opinion that it needs to be linked to -- rather, the vote to raise the debt ceiling needs to be linked to significant debt reduction and deficit reduction. We have said and continue to say that we believe both are important priorities and both can proceed concurrently at the same time.

So as we make progress on these talks that the Vice President is leading at the President's direction, we believe that an agreement is possible and we hope likely. And we also believe that regardless of any other development the debt ceiling must be and will be raised.

Q So he thinks that -- ultimately the President thinks he will get enough Republican votes to raise the --

MR. CARNEY: Yes, Yes, definitely.

Q One other topic quickly. President Karzai, as you know, has come out angrily about the NATO strikes and has said that he will no longer allow NATO air strikes on houses there because of the civilian casualties. I know NATO has continued to express regret about how some of these have gone. But I'm wondering, A, does the White House think that the Afghan President can declare that? And B, is that something the United States would support?

MR. CARNEY: Well, as has been expressed, as you've said, by ISAF and others, we regret greatly the loss of life and especially any civilian casualties. And I think, as you know, over the past year, this administration, working with the -- the military has taken extraordinary steps to reduce the loss of innocent life in our operations undertaken by both ISAF forces and Afghan forces in coordination. And we will continue to do everything we can to reduce civilian casualties, working with President Karzai, working with Afghan forces, as we continue this important mission.

Q But can he make that call, no more NATO air strikes? Or is that a NATO --

MR. CARNEY: Well, look, we work in coordination with the Afghan government. We are making sure that we have coordinated efforts with Afghan security forces. This is not -- we do not operate in a vacuum in that country, and we'll continue to work with President Karzai on this important issue because we take very seriously his concerns, and we share them.

Q Thank you.

Q Jay, you just said that it would be calamitous not to raise the debt limit. When the President meets with Republicans tomorrow, does he have a new message for them, especially those that are skeptical that it really would be calamitous about why it's important to do that? And what does he think about the skepticism that's been raised by some Republicans that this is really as serious as the administration has been suggesting it is?

MR. CARNEY: Well, we would point the skeptics to comments by leaders in the business community, by experts from all over the economic field. I think the evidence that there would be calamitous results to a failure to raise the debt ceiling is fairly compelling.

I would point them also to President Ronald Reagan, who wrote then-Senate Majority Leader Howard Baker in 1983, he said that "the full consequences of a default, or even the serious prospect of default by the United States are impossible to predict and awesome to contemplate. Denigration of the full faith and credit of the United States would have substantial effects on the domestic financial markets and on the value of the dollar in exchange markets."

This is Ronald Reagan writing to the Senate Majority Leader asking him to make sure that the debt ceiling is raised in 1983: "The risks" --

Q -- find that letter?

MR. CARNEY: I think it's available as part of the historical record.

"The risks, the costs, the disruptions and the incalculable damage lead me to but one conclusion: The Senate must pass this legislation before the Congress adjourns." -- November 16th, 1983.

We agree with Ronald Reagan and many others that we cannot default on the full faith and credit --

Q -- get that letter?

MR. CARNEY: -- I'm sure we can, yes -- full faith and credit of the United States.

Q Is this the point the President wants to make tomorrow when he meets with the Republican conference?

MR. CARNEY: I'm sure that he will. But he also, as he did with the Senate Republicans, will want to hear and listen to their ideas, their concerns. And part of the process here that he thinks is very important is that Washington -- that Americans, rather, expect their elected leaders here in Washington to come together and work out solutions to these challenges that we face, rather than talk past each other -- solely talk past each other on television and in other forums -- that it's useful to come together in the same room, talk and listen. So that's what he looks forward to doing.

Q Will there be any press coverage of that?

MR. CARNEY: I think that's closed press -- I mean, in part because we need it to be and he wants it to be an open and frank exchange, and not the kind of thing that leads to -- we get every day in Washington where one side goes up on TV and says something, another side goes up on TV shortly thereafter and says something else, and there's not a real conversation. He looks forward to listening, as he did with the Senate Republicans.

Yes, Jake.

Q Jay, this morning information from the Case-Shiller home price index made it official that the value of residential real estate have reached a new low point. Since the great recession began, home prices dropped by 5.1 percent, a level not seen since mid 2002. A decade worth of home prices just vanished. Does the administration have any response to this news? Is there anything that can be done? You weren't in the White House at the time, but the President announced a housing plan to great fanfare that he said would help, I believe, 3 to 4 million people, and I don't think it's quite reached that level. What is the response?

MR. CARNEY: Well, let's step back. First of all, we obviously are aware of these numbers and we understand that this is a challenge. The housing market remains in a challenging situation. But it's also important to remember more broadly that we have begun effectively a recovery, an economic recovery. We've had -- we've seen quite solid job growth now for many months, and three-quarters of a million private sector jobs were created over the past three months alone.

Restoring health in the housing market after its dramatic collapse was never going to be easy. We've taken a lot of measures, some of which you've just mentioned, to mitigate the impact of that, especially on foreclosures. And we are working aggressively to help homeowners modify their loans to avoid going into foreclosure, and investing in communities hardest hit by the continued difficulties in the market -- in fact, the hardest hit communities program, or hardest hit states' program is just really getting up and running now, so we hope that will have a positive impact.

But there's no question this is a -- the domestic housing market was hit very hard by this worst recession since the Great Depression and it remains a challenge that we're addressing.

Q The HAMP program may be -- obviously it's a tough competition, but it might be the most controversial piece of legislation that the President has put forward in terms of its effectiveness. Obviously there are other pieces of legislation that people might dispute that claim with, but the President said it would help, I believe, around 3 million people, and the last I checked it was under 1 million who have received permanent home modifications. Is there any plan for the administration to try again, try something new, try something more effective?

MR. CARNEY: Well, we are implementing the foreclosure mitigation programs that we've already gotten in place, and over 600,000 homeowners have obtained permanent modifications to their mortgages under HAMP. On average, over the past six months, 25,000 to 30,000 more homeowners are obtaining permanent modifications each month. And so far nearly 1.5 million families have received HAMP trial modifications.

Q But that falls short of the President's goals.

MR. CARNEY: And more work needs to be done. There's no question. That's why we're continuing implementation of the program.

And look, one of the things that will help the housing market would be -- is continued economic growth and continued job creation, because, clearly, people with jobs, people with solid incomes, a growing economy, all of those things will help improve the housing market in the long term. And we continue to work on this every day. This is the focus this President has, and is why he -- going back to Ben's question about the commerce sector -- I mean, one of the reasons why he picked John Bryson is because he feels that he understands and will be able to help the economic team focus on doing things that will continue job growth, continue economic growth, increase our competitiveness, increase our exports, all with the big goal there, which is job growth -- job creation and economic growth for the long term in this very competitive economic environment.

Q Do you have any response to the Senate Republicans, as long as we're talking about Bryson, renewing their threat to hold up his confirmation until the free trade agreements are put forward?

MR. CARNEY: Well, look, the President, obviously, has done a lot of work to ensure that these free trade agreements have been put together and come to pass. There are still technical discussions going on with the administration that always precede bringing them up in the Congress. We also want and believe that we should have an agreement from Congress to extend TAA, Trade Assistance Authority.

And we think that it would be folly to hold up a nomination so important as the Commerce Secretary for any reason. And we look forward to Senate confirmation not just of John Bryson, but of his deputy, who was put forward last month, and working with Congress to get these trade agreements passed, which the President very much wants to have passed.

Yes, Dan.

Q As the administration reviews its Afghan strategy, how will the costs of the war impact in the strategy going forward?

MR. CARNEY: I think if you go back and review the record for when the President developed through an exhaustive process the policy that he has now been implementing on Afghanistan, the issue of -- he didn't ask for a bill for how much it would cost. He wanted a policy that would -- had the best chance of succeeding, at achieving our goals, which were very clearly defined, which is to disrupt, dismantle and ultimately defeat al Qaeda and to ensure that Afghanistan would not again become a haven for terrorists, and to take the steps necessary to make that come true.

That remains -- what the President has been doing since then is implementing this policy, obviously with his military and the rest of the administration. Part of that policy was to begin a drawdown in July 2011. That will happen as the policy dictates. Another fact that he has discussed going back to the campaign is that we have to make sure that everything we're doing is done with a mind to the costs and effectiveness. And I think that applies to military endeavors, national security endeavors, as well as domestic endeavors -- domestic economic endeavors, for example.

But the strategic goal here is disrupt, dismantle, defeat al Qaeda and ensure that Afghanistan does not again become a haven for terrorists. That remains the priority -- those remain the priorities of the President as he makes a decision about the pace, the size and slope of the drawdown.

Q So cost won't be the major factor, but it would be a consideration?

MR. CARNEY: Well, we have enormous resources in this country. We're the wealthiest country in the world. We have the greatest, most effective military in history. But we obviously live in a world of limited resources. Even if we hadn't had the recession that we had, we are not without limit in terms of the resources that we can tap in order to fund anything that we want to fund as a government. So we have to make choices. But again, the priority the President set remains the priority: Disrupt, dismantle, defeat al Qaeda; ensure that Afghanistan does not become a haven for terrorists as it was in the past.

Q When you give this optimistic tone that there will be an agreement on raising the debt ceiling, what is that

based on?

MR. CARNEY: Well, what I said is there will be an agreement on deficit reduction. We remain optimistic about that. What that is based on is how we view the progress that the talks have made. And in terms of the debt ceiling, we also believe, as members and leaders of Congress of both parties have said, that it has to be raised because the effect of defaulting on our obligations as the United States of America would be calamitous to the domestic economy and to the global economy.

And that would mean -- that would hurt growth. It could reverse the recovery, potentially. It could definitely have an impact on growth and definitely have an impact on job creation. And I don't believe that anyone in Congress would think that that was a good idea, ultimately. We understand the concern because we share it, that we need to reduce our deficit. That's why we're working so hard with members of Congress to reach an agreement on that. We also agree with the statements by numerous leaders of Congress that we have to raise the debt ceiling, and we believe that Congress will do that.

Q And then one quick question on Sarah Palin. I'm wondering if the President is watching all the attention she's getting and what he thinks about this whole flirtation with a candidacy.

MR. CARNEY: Having spent a lot of time with him over the past several days, I don't think he's paying much attention to that. He's obviously had his hands full with a lot of other things that he's been working on. So I can't really comment.

Yes, sir.

Q In addition to housing prices, Jay, consumer confidence is another key component in terms of an economic recovery, and that seemed to take a hit of about 6 points between April and May. Any new thoughts from you on consumer confidence and what could be done to restore that confidence?

MR. CARNEY: Look, we are working very hard on a number of fronts to continue to make the right choices and the right decisions, working with Congress to continue the recovery to enhance job creation and economic growth. And I cited earlier the positive numbers that we've had recently, in terms of growth and jobs and most importantly private sector job creation.

There is no question that we have seen some temporary impacts in the data from disruptions stemming, for example, from the crisis in Japan and other temporary factors. And obviously the impact that higher gas prices has had and energy prices have had has been felt by families and businesses.

But we remain optimistic about -- as private economists say, as well, that we'll continue to see economic growth; that we're moving in the right direction. Most independent forecasters continue to project solid growth for the second half of this year. We agree with that. It's consistent with our administration's predictions. And I would note simply that the private sector has created more than 2 million jobs over the past 14 months, and nothing is more important than keeping that going.

Q On the Commerce nominee, Darrell Issa, who's from California, says about Mr. Bryson that he's a founder of an organization that opposes efforts to increase domestic oil production, and questions whether that's the guy you want as a key advocate for our economic interests. Do you have any response to that?

MR. CARNEY: Well, I would simply say that the President sets policy and the President had made very clear that he wants to increase domestic oil production and has taken measures to do that in a safe and responsible way.

And the fact is, is that John Bryson has an enormous variety of experience in business, with non-profits like NRDC and in government. He is uniquely qualified, the President believes, to be a member of his economic team to serve effectively as Commerce Secretary.

Q Jay, considering all of these signs that the economic recovery is fragile, at best, is the President concerned that all of the discussions going on right now with the Vice President seem about cutting spending, and that this --

MR. CARNEY: That's a good question.

Q The President has said constantly he doesn't want to cut spending if it's going to hurt the economic recovery. But is there any way around it?

MR. CARNEY: Well, let me just make sure -- to clarify that he has said we need to reduce spending, but we need to do it in a responsible way, and we need to protect our investments in those areas that directly affect our economic growth and job creation -- investment in innovation, in education, in infrastructure, the things that will drive job creation and economic growth in the 21st century.

So you bet that in his discussions with the Vice President's negotiations, directed by the President, with the members of Congress, we are very insistent that we protect those investments that we believe go right to the heart of the matter here, which is to continue economic growth and continue job creation.

Q Will he -- if it looks like that this thing is heading off in the wrong direction all of a sudden?

MR. CARNEY: Well, no, he believes -- in terms of overall?

Q Yes.

MR. CARNEY: No. He believes that we need to reduce spending. That's why he's taken measures already to reduce spending, both in the budget deal that he reached to fill out the fiscal year 2011 with Congress; with his passage of the Affordable Care Act, which as you know is a significant deficit reducer, both in the near term and the long term; and he's committed to that because he believes that getting our fiscal house in order is important to our economic growth and to our job creation.

You have to do it in a balanced way and you have to be mindful that you don't want to take steps that reverse the progress that we've made. That goes to raising the debt ceiling and it goes to some of the -- one of the reasons why the President opposes the Republican budget, House Republican budget, because he believes that it would have a negative impact on seniors and others, and have an overall negative impact on the potential for growth in the economy.

Q Is the White House pleased that there's a clean vote on the debt ceiling happening today? I mean, this is something you guys called for a month ago.

MR. CARNEY: No, I understand that. Look, we are pleased by the progress we're making in the negotiations led by the Vice President on deficit reduction. We understand and we share the concerns that members of Congress have about the need to reduce our deficit. And a number of members have said we have to do -- one has to be linked to the other. We believe they should not be linked because there is no alternative that's acceptable to raising the debt ceiling. But we are committed to reducing the deficit. That's why we have moved so aggressively and seriously with these negotiations, why we're encouraged by the fact that they have produced positive results so far --

Q Well, what about today's vote? Is it a useful exercise?

MR. CARNEY: You guys can decide whether it's useful. I think that --

Q No, you tell us -- I mean, is it useful to you guys?

MR. CARNEY: It's fine. (Laughter.) It's fine.

Q What does that mean?

Q I have a quick -- any comment -- charges are being filed against KSM today and four others down in Guantanamo. The military -- any comment?

MR. CARNEY: I don't have any, no, I don't on that, sorry.

Q Your new Commerce nominee has an extensive amount of experience in energy. Is the President going to view him as part of his energy team as well as part of his business outreach and --

MR. CARNEY: Well, the President believes that they shouldn't be separate to begin with, because, as you know -- energy is a major issue in general, economically. Clean energy and development of energy alternatives is, he believes, vital to the economic health of this country in the future. And he thinks that John Bryson will contribute to that discussion internally within the administration very heavily. And he looks forward to that.

So I don't think that there's a separation here between -- Secretary Chu is in many ways a member of our economic team, too, because of his expertise and because of the importance of the energy sector to our economy.

Q But normally a Commerce Secretary wouldn't necessarily be involved with energy policy or environmental policy. I'm just wondering, given his particular background on that, is he somebody who the President would rely on for expertise in specific energy and environmental issues?

MR. CARNEY: Well, he certainly thinks that he's an exceptional candidate given the diversity of his experience and that his -- that diversity will allow him to bring to bear his knowledge and experience into discussions that the President has on all aspects of economic policy, including energy policy and environmental policy.

Q Is there anything in particular in his background that makes him a good person to promote exports, since that's such a big part of what Commerce does and such a big emphasis for the White House?

MR. CARNEY: Well, look, I think -- again, look at the diversity of his experience. You have -- he served on the board at Boeing. He served on -- he serves on the board at Disney. These are obviously companies that do a lot of international business. I think that his -- it's not just where he was CEO or where he has direct business experience as an executive, but also his understanding of the intersection between government and business, which is very

useful given his experience in government. And then obviously throwing in his work with nonprofits, it's really an impressive package. And that's what drove the President's decision.

Q And finally on this subject -- there's been a lot said and you're well aware that there's been tension between the White House and the business community over the opening couple of years of the administration. Do you think that bringing somebody in who's so steeped in business will help -- among other moves, will help the White House with its relationship with business?

MR. CARNEY: Look, the President casts, as he does routinely in filling these kinds of positions, casts a wide net, wanted of the best possible candidate. And that's John Bryson. That's the nominee he picked. I think that the experience he brings is useful and will be useful in a variety of ways. And the business experience is valuable, there's no question about it. But so, too, is his experience in government and his experience in the nonprofit sector, and his intimate understanding of clean energy development and industries. I think one of the things he worked on since he left Edison was electric cars, as well as solar energy. And this is -- these are all elements of a resume that the President feels very compelling.

Q So should the business community feel good about the fact that they have one of their own, sort of, in the room?

MR. CARNEY: Oh, I think the business community I hope will feel good about the fact that he's an enormously qualified candidate to be Commerce Secretary. He will represent the United States abroad very well as we work to double our exports over five years -- the President's goal. And he will I think be able to work effectively not just with the business community but a variety of communities to contribute to the economic debate here, the economic discussion, and the goal that we all share of increasing growth and increasing job creation.

Yes, Mark.

Q Jay, back on Afghanistan. If President Karzai says no more bombing of private homes, why isn't that the final decision on the subject?

MR. CARNEY: Well, I, first of all, am not going to get into discussion about missions and what they do and don't do. Obviously our civilian and military leadership in Afghanistan is in regular contact and consultation with the Afghan government and the Afghan security forces. And we take President Karzai's statements seriously and we take his concerns about civilian casualties very seriously. And we will work with him as we have throughout this process to take the measures that we can to reduce civilian casualties.

Q But he says, no more. It's his country, a sovereign nation. He's President of it. And you're saying, well, we'll try to accommodate him.

MR. CARNEY: Well, I'm saying that I'm not -- I'm not standing here with President Karzai to work out an agreement. I'm saying that we are regularly in conversation with him and with his government, with the security forces there, about our mission there. We have taken I think serious steps to reduce civilian casualties and have done that, and that has been effective. And we continue to consider this a high priority.

Q And one last question: On Germany, any reaction from President Obama on Angela Merkel's 180 on nuclear power, getting her country out of the nuclear power generating business?

MR. CARNEY: Well, I don't have any reaction to that. I would say that we have a system here that we have a lot of faith in, that our independent regulatory body ensures that we have the safest and most responsibly run nuclear energy industry in the world, and the President remains committed to nuclear energy as part of his clean energy agenda.

Yes.

Q Over the past few years, White House officials have consistently, the President on down, have reached out to members of corporate America, CEOs, to sort of pick their brain on economic issues. With Bryson, I think he was in here in January of '09, but he's not one of the CEOs that we've seen here for summits or other events. What kind of communication has he had with the President over the last few years and other White House officials?

MR. CARNEY: I don't have any details for you on conversations he may or may not have had with anybody here in the building prior to his nomination. I think, obviously as part of this process those conversations took place.

I would say that there's been a lot of speculation about who this nominee would be, and one of the reasons why a lot of that speculation was off is because it's very important for the President, to enable him to make the right decision, that this process not be a completely public one. So he's an enormously qualified individual. The President has a lot of faith in his capacity to do this job well.

Q They have a pre-established relationship? Is he --

MR. CARNEY: I don't have any knowledge or information about that. We -- he was part of a process that produced what the President thinks is the best candidate for the job.

Yes.

Q On the vote tonight, I'm assuming you'll put out a statement after it, or will you have anybody --

MR. CARNEY: We'll see. Perhaps. I don't know.

Q You don't even know if you're going to respond at all. Okay, my question about this is you said it was fine. (Laughter.)

Q You got to get the whole --

Q I know. (Laughter.) Yes, I get all the atmospheric. But so do you think that this vote has -- it sounds like you think that this vote has nothing to do with the calamity that you have predicted would happen if the debt ceiling was breached.

MR. CARNEY: We think that the debt ceiling will be raised. And --

Q So you think this vote has nothing to do with stopping the debt ceiling --

MR. CARNEY: I think that it is an expression of a point of view that obviously we have heard numerous times leading up to this vote, and it reflects concerns that we have, which is that we need to address our deficits and debts.

Q So this is a political statement? It's not --

MR. CARNEY: Look, everything that happens in Washington is political by nature. Obviously, this is -- these are elected politicians and elected leaders. But I don't mean that in a pejorative sense. I just mean that we understand the views that are being expressed. We share the concerns that drive those views. In the end, the debt ceiling has to be raised.

We believe very strongly that the impact of not raising the debt ceiling would be calamitous, that defaulting on the full faith and credit of the United States is a very bad idea. We disagree heatedly with any who suggest otherwise. We can cite a long list of validators of our position on this that go back to at least Ronald Reagan in 1983 and probably predate President Reagan. So that's our position and we believe that, in the end, Congress will do the right thing and vote to raise the ceiling.

Q Are you confident that the markets understand that? That this vote has nothing to do with --

MR. CARNEY: I'm not going to comment on the markets, but we believe that Congress will act and act in time to raise the debt ceiling.

Q Because one of the things that members of the administration and others have been saying is that this isn't like the government shutdown. You can't go to the final hour. If the markets think you're going to default, they could start reacting in a way that would really hurt us way before August 2nd. You don't think that this will spook them in any way?

MR. CARNEY: Well, without commenting on -- I don't want to predict a reaction to something specifically in the markets, but we do believe that it is important that action be taken in a timely manner so that the global economy and the global markets do not anticipate a default, because the anticipation of a default would have very negative consequences, just as a default would.

Q Right, but you don't think that the vote against the debt ceiling raising --

MR. CARNEY: And I'm not going to comment on this particular vote and the impact it may or may not have on the markets. I mean, that remains to be seen.

We believe that Congress will vote to raise the debt ceiling. And members and leaders of Congress have said they will vote to raise the debt ceiling.

Q So this is just an exercise, it sounds like.

MR. CARNEY: I think I've answered that question.

Jackie.

Q Well, just one quick follow-up. The Republican leaders in the House apparently felt the need, before scheduling this vote or after they scheduled it, to privately call and meet with financial executives and reassure them that this was not a real vote, let's say. Did the administration, did Treasury Secretary Geithner, anyone in the administration similarly have any private communications with market people about how the markets might react,

given the fragility of the economy?

MR. CARNEY: Not that I'm aware of. Obviously, you should address that question to the Treasury Department, but not that I'm aware of.

Q And is there any -- did the administration express any concern to the Republican leaders that this wasn't the best time to be holding a vote like this? Or the right --

MR. CARNEY: Well, specifically with regard to this vote, I'm not sure. We have obviously expressed our concern about the folly of suggesting that we don't need to raise the debt ceiling and the harm that would be caused if there were a perception created that Congress would not eventually raise the debt ceiling in time. But I don't know of any communications specifically related to this vote. And that may be in part because we were all traveling last week, but I don't -- I'm not aware of any --

Q Can you say -- on Bryson, can you say anything about how his name came into the mix and whether or not he's a close acquaintance or friend of Bill Daley, given that they were both on the Boeing board?

MR. CARNEY: I don't know about any relationship -- I mean, obviously the Chief of Staff played a big role in the search for this nominee, because he's the Chief of Staff. He also happens to be a former Commerce Secretary himself. But I don't know about the extent of their relationship.

Q Do you know whether he threw the name into the mix?

MR. CARNEY: I don't. I don't.

Yes, sir.

Q Jay, what do you think of Assad's amnesty for all political prisoners?

MR. CARNEY: I have not seen that so I can't react.

Q Thanks, Jay. I have two quick questions. First of all, a journalist for Andrew Breitbart's Big sites says that a University of Arizona source told him that the slogan for the January memorial in Tucson, Together We Thrive, came from conference calls with the White House in internal meetings. But in January the White House said they had no involvement at all with the tee-shirts. Do you stand by that?

MR. CARNEY: I don't even know about the report you're talking about, so I don't have a comment.

Q Can you get me something on that later if I email you?

MR. CARNEY: If there's something -- but, yes.

Q And my second question, based on his -- what he said and his actions, I think a reasonable person can conclude that President Obama believes in the right of gay couples to marry. So why hasn't he come out and said that?

MR. CARNEY: The President has said in the past what his position is. It hasn't changed. And if it changes, I'm sure he'll let you all know.

Q The last time we checked, he said it was evolving.

MR. CARNEY: And that's -- I have no update for you on that.

Q With this withdrawal or drawdown of troops in Afghanistan next month in July, are we moving towards what might be called the Biden plan where we have -- we move away from sort of a counterinsurgency strategy, the nation-building strategy, and more towards a counterterrorism strategy where we have a smaller footprint and are less worried about sort of building up Afghanistan as a nation than countering terrorism where and how we can?

MR. CARNEY: What we're moving forward with is the Obama plan, and that is the strategy that the President put into place after the review, the policy review, and it continues to be the strategy. And it has never been one or the other. It has always been a comprehensive plan aimed at disrupting, dismantling, and defeating al Qaeda and ensuring that Afghanistan does not again become a haven for terrorists.

Part of that plan was, from the beginning, to begin a drawdown in July of 2011. So the fact that we are almost upon that date and the President will, as promised, begin the drawdown on that date does not reflect a change in plan. In fact, it reflects consistency. It reflects implementation of the decision he made when he announced the plan.

Q Jay, earlier this month Senator Tom Harkin endorsed the President issuing an executive order mandating that the federal government only contract with companies that have non-discrimination policies for their gay and transgender workers. Harkin joins Senator Jeff Merkley and Colorado Congressman Jared Polis who also said they

management workers. Harkin joins Senator Ben Rayburn and Colorado Congressman Jared Polis who also said they welcome this -- from the President. In the wake of these endorsements, is there any consideration at all in the administration to issuing this directive?

MR. CARNEY: Not that I'm aware of. I don't have anything new for you on that.

Q But does the President take heed when someone like Tom Harkin, who helped the President out early on during his White House bid in 2008, does the President take heed when Tom Harkin calls on the President to issue such an order like that?

MR. CARNEY: Well, I'm sure that the President always wants to hear what Senator Harkin has to say on a variety of issues, but I don't have anything for you on that particular one.

April.

Q Jay, I am going to ask you about a prediction. As the Vice President is leading his budget reduction meetings and all the numbers are crunching, we're seeing them come out with large files, stacks of papers in their arms, their number-crunching efforts going on. When will the dust settle? What is the prediction for when the dust will settle or when the -- after the job cuts, and when will the American pocketbook will see relief after all these budget cuts? And even if you want to throw in the raising the debt ceiling, you can.

MR. CARNEY: You mean, when will --

Q When will the middle-income pocketbooks see relief after all the dust has settled or after all the budget cuts with the deficit reduction, all the measures the government --

MR. CARNEY: Well, if you mean, when will the job be finished, in terms of full recovery of the economy --

Q I'm talking about when people will be able to breathe again financially. When they will --

MR. CARNEY: Well, I think that is the job, right? I mean, that's the focus --

Q That is the job. But when do you --

MR. CARNEY: And this is what the President is focused on every day. And primary beneficiaries of the relief provided in the Recovery Act, of the tax cut deal that the President made with Republicans at the end of last year, has been the middle class. And he continues to focus on -- as he talked about during the campaign, that the decade of squeeze that the middle class experienced, even as the economy was growing, prior to the recession -- while incomes were growing on the upper end in the first decade of this century, middle class incomes were stagnating, and in some cases, shrinking.

And that remains the President's primary focus when he talks about economic growth and job creation, is growing the economy for the benefit of all Americans, and creating jobs -- the kinds of jobs that pay well in industries that stay in this country and help fuel this economy in the 21st century.

Q Let me take one more stab at this. Okay, government programs -- funding to government programs will be cut after this process. Also jobs will be cut -- many jobs will be cut because of this. When do you --

MR. CARNEY: Well, I don't know that jobs will be cut. But go ahead.

Q When do you expect that there will be -- really people will say, okay, the worst is now gone? The worst of the storm is over? When will -- when is the prediction of the White House for that?

MR. CARNEY: Well, again, if you're -- I think the job of improving the economy in the U.S. is never done, and this President will be working on that through the last day that he serves a President.

The fact is, is that we are in a better situation -- a far better situation now than we were when the President took the oath of office in January of 2009. But work remains to be done. And as he works with Congress to reduce the deficit further, to get our fiscal house in order, he has as a primary focus the need to protect the investments that will allow us to grow and create jobs going forward, and also as a primary focus in terms of seniors, the disabled and others that we not take measures in the name of deficit reduction and debt reduction that are unbalanced and do not share -- distribute the burden, as well as distribute the prosperity that we believe will come.

And let me -- okay. Yes, sir.

Q Thank you, Jay. Two questions, first on the debt ceiling tonight. Many of the freshmen Republicans in the House who are driving the no vote have suggested that this is only a preliminary vote, and that going a few weeks before there is a final vote will just lead to the spending cuts they seek. Congressman Bill Huizenga of Michigan for one said, "There's a big difference between two weeks and two months." What do you say to criticism such as that?

MR. CARNEY: Well, I'm not sure I understand. I mean, we -- what the difference between two weeks and two months being --

Q If there's not a clean vote tomorrow, and then have another vote on it later on --

MR. CARNEY: Look, all I can say is that the deficit -- the debt ceiling needs to be raised by something close to a date certain, as we all know. Not doing that would have calamitous, catastrophic, disastrous effects on the economy. I don't think -- there may be a handful of people who just disbelieve the overwhelming consensus opinion about what would happen if the United States of America defaulted on its obligations. I think the overwhelming opinion is correct, and it's the opinion we share, and that ultimately the elected members of Congress are here representing their constituents in order to ensure economic growth and job creation. And to do things that have the opposite effect I don't think is -- it's obviously not good policy, and it's also not good politics.

Q The other question I wanted to mention was with all of the controversy swirling around the International Monetary Fund, plus the --

MR. CARNEY: I wasn't aware --

Q Yes. (Laughter.) The tardiness in Greece making some of the reforms it was talking about, Congresswoman Cathy McMorris Rodgers, the vice chairman of the House Republican Conference, has issued -- offered legislation that would roll back and limit the \$100 billion credit line the U.S. has with the IMF, and particularly keep U.S. tax dollars away from European bailouts. Is this --

MR. CARNEY: I'm not aware of that legislation, so I don't really -- I wouldn't want to comment on it since I'm not aware of it.

Yes, sir.

Q Thank you, Jay. About the nomination of Mr. Bryson, actually Mr. Bryson right now is heavily invested in and also cooperating with Chinese electric car companies. And they are about to import the cars from China to the U.S. in the end of this year. So what's the implication of his nomination in terms of his tie with China?

MR. CARNEY: Well, in terms of any relationship he has either by serving on a board or in any capacity with companies of any sort, he has to follow the same procedures that any nominee for this kind of position would have to follow, which is resign that position and -- in the case of at least Boeing and Disney -- have to recuse himself from any particular matters that might come before him as Commerce Secretary. I don't know about the specific area that you just mentioned. But in general, like any other nominee, he has to follow those procedures.

Q So the President in thinking about his experience in China will help his --

MR. CARNEY: I think the President believes that the wealth of his experience in a variety of industries and in a variety of capacities both in the private sector and the public sector comes together to make him an excellent nominee and somebody he believes will be a highly effective Commerce Secretary.

Q Just one -- only one question? Just one? (Laughter.) O-N-E. One -- no more than one.

MR. CARNEY: Yes, ma'am, in the blue shirt.

Q Thank you, Jay. Two questions. Are you worried at all about a filibuster threat over your Commerce Secretary nominee?

MR. CARNEY: Well, I think I answered a question earlier about holding it up for whatever reason and I talked about the President's commitment to the three free trade agreements that he wants to see Congress pass, his commitment to the extension of TAA, and he obviously feels strongly that this is an important position that should be filled and should not be held up.

Q And secondly, on a separate front, some House GOP appropriators are complaining that the White House is taking too long with its signal on whether it's going to send a supplemental package, an emergency package for storm aid. And I'm wondering if you have any updates on if the White House, if the administration is going to send a request for emergency funding for the storms.

MR. CARNEY: I plead ignorance on that one. I don't have indications.

Q This is from U.S. News and World Report --

MR. CARNEY: Victoria, last one.

Q Jay, the Biden talks apparently are going fairly well, but there's a big obstacle, the big stumbling block, which is that the Republicans say that taxes have to be off the table and the Vice President says that taxes should be on the table. What is it that the White House can do to bridge that gap somehow if indeed you're going to move forward?

... ..

MR. CARNEY: Well, without getting into the details of those negotiations -- because I think part of the reason why they've been effective is that the participants feel that everyone is negotiating in good faith and keeping that process running by not divulging every detail the minute the meeting ends -- I would just say that our position is well known. We believe that long-term, serious, deep deficit reduction and debt reduction has to come with a balanced approach that includes looking at tax expenditures as well as entitlements, as well as discretionary spending, including defense spending.

And we don't expect that we will resolve all of these difficult issues in this process, necessarily. But we can certainly reach agreement on areas of common ground, where people, as I've said in the past, where people come in here -- come in there and negotiate in good faith and understand that neither side is going to get 100 percent of what it wants --

Q What can you offer them to bring them?

MR. CARNEY: Look, I think that -- again, I think the sheer -- I'm not going to there. We're working very hard to make sure that these practices are -- that these negotiations are effective.

Q Can you work --

MR. CARNEY: I've worked this so many ways in this briefing. Thank you all very much.