

01-15-09 obama (ami cus)

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JANUARY 15TH, 2009

BARACK OBAMA TRANSCRIPTION

0002

1 PRESIDENT-ELECT OBAMA: FIRST OF  
2 ALL, THANK YOU SO MUCH, EVERYBODY, FOR TAKING  
3 THE TIME. I KNOW THAT TRADITIONALLY THESE ARE  
4 DONE BEFORE THE ELECTION. FRED AND I SPOKE AND  
5 I PROMISED THAT I WOULD BE HERE AFTER THE  
6 ELECTION, WHERE YOU CAN ACTUALLY HOLD ME  
7 ACCOUNTABLE THEN.  
8 I DON'T KNOW HOW YOU WANT TO START IT,  
9 WHETHER YOU WANT TO DO ANYTHING OTHER THAN JUST  
10 JUMP RIGHT IN AND START ANSWERING QUESTIONS.  
11 REPORTER: WE HAVE GOT A LOT OF  
12 QUESTIONS. DO YOU HAVE SOMETHING YOU WANT TO  
13 SAY FIRST?  
14 PRESIDENT ELECT OBAMA: JUST, I WILL

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15 JUST TELL YOU A QUICK STORY, GIVE YOU AN  
16 INDICATION OF WHERE MY HEAD'S AT. WE WENT TO  
17 VISIT THE LINCOLN MEMORIAL AT NIGHT, ME AND THE  
18 FAMILY, A LITTLE FIELD TRIP. AND I LOVE THE  
19 MEMORIAL AT NIGHT, IT WAS ALL LIT UP, AND WE  
20 FIRST LOOKED AT THE GETTYSBURG ADDRESS AND  
21 MICHELLE IS EXPLAINING TO MALIA AND SASHA WHAT  
22 LINCOLN MEANT, YOU KNOW, THE FACT THAT GIVEN  
0003

1 THAT ALL THESE SOLDIERS HAD GIVEN UP THEIR  
2 LIVES, THEY HAD CONSECRATED THIS GROUND, THAT  
3 ANY WORDS WE WOULD SAY WOULD BE EMPTY. AND THE  
4 ONLY WAY WE COULD HONOR THEM WAS ACTUALLY TO  
5 MAKE THIS A MORE JUST AND EQUAL COUNTRY AT WHICH  
6 POINT MY TEN-YEAR-OLD, MALIA, TURNS TO ME AND  
7 SAYS: YEAH, HOW ARE WE DOING ON THAT?

8 (LAUGHTER)

9 PRESIDENT-ELECT OBAMA: SO THEN WE GO  
10 LOOK AT THE SECOND INAUGURAL AND SASHA, WHO IS  
11 SEVEN, SAYS: WELL, THIS ONE IS MUCH LONGER; ARE  
12 YOU GOING TO HAVE TO GIVE ONE OF THESE? I SAID;  
13 ACTUALLY, THAT'S A SHORT VERSION BUT YEAH, I  
14 WILL, THEN MALIA SAYS: FIRST AFRICAN-AMERICAN  
15 PRESIDENT, IT BETTER BE GOOD.

16 (LAUGHTER)

17 PRESIDENT-ELECT OBAMA: SO I JUST  
18 WANTED YOU TO KNOW SORT OF THE PRESSURES I'M  
19 UNDER HERE FROM MY CHILDREN. ANYWAY, FIRE AWAY.

20 REPORTER: THANK YOU. THAT LEADS TO  
21 OUR FIRST QUESTION. YOU TAKE OFFICE WITH YOUNG  
22 VOTERS, YOUNG PEOPLE HAVING AN EXTRAORDINARY

0004

1 INVESTMENT IN YOUR OUTCOME, VERY ATTACHED, NOT  
2 MERELY SUPPORTIVE, BUT WHAT ARE YOU GOING TO  
3 CALL ON THEM TO DO?

4 PRESIDENT-ELECT OBAMA: WELL, I THINK  
5 THIS WILL BE REFLECTED IN THE SERVICE DAY THAT  
6 WE HAVE SET UP ON MONDAY, THIS WILL BE REFLECTED

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7 IN MY INAUGURATION SPEECH, AND IT WILL BE  
8 REFLECTED IN SOME OF OUR BUDGET PRIORITIES. WE  
9 WANT TO PUT A HIGH PREMIUM ON SERVICE THROUGHOUT  
10 THE NEXT SEVERAL YEARS.

11 OBVIOUSLY MILITARY SERVICE IS  
12 SOMETHING THAT WE HONOR AS A COUNTRY. THERE IS  
13 ACTUALLY A POLICY IMPLICATION TO OUR FAILURE TO  
14 INSPIRE PEOPLE ON THE CIVILIAN SIDE. WHEN IT  
15 COMES TO OUR CIVILIAN FOREIGN POLICY APPARATUS,  
16 IT JUST DOESN'T MATCH UP. AND THAT ACTUALLY  
17 PUTS MORE PRESSURE ON OUR MILITARY BECAUSE, YOU  
18 KNOW, SUDDENLY FOLKS WHO THOUGHT THEIR JOB WAS  
19 TO FIGHT A WAR NOW FIND THEMSELVES HAVING TO  
20 BUILD IRRIGATION SYSTEMS AND CONSTRUCT SCHOOLS  
21 BECAUSE WE DON'T HAVE ENOUGH CIVILIAN CAPACITY  
22 TO DO THAT.

0005

1 AND OBVIOUSLY HERE AT HOME THE NEEDS  
2 ARE ENORMOUS. SO WE HAVE VERY SPECIFIC PLANS IN  
3 TERMS OF INCREASING THE NUMBER OF SLOTS IN THE  
4 PEACE CORPS, AMERICORPS, BUT WHAT WE ALSO THINK  
5 IS THAT THE MODEL WE USED DURING THE CAMPAIGN  
6 THROUGH THE INTERNET, OUR CAPACITY TO INITIATE  
7 ACTION ON THE GROUND WITHOUT A LOT OF OVERHEAD  
8 IS SOMETHING THAT WE CAN SUSTAIN THROUGHOUT THE  
9 CAMPAIGN OR THROUGHOUT THE FOUR YEARS THAT I'M  
10 PRESIDENT. SO I WILL GIVE YOU JUST ONE VERY  
11 SPECIFIC EXAMPLE.

12 THE SERVICE DAY THAT WE'RE HOSTING, WE  
13 ALREADY HAVE SEVERAL MILLION PEOPLE ALREADY  
14 SIGNED UP THROUGH THOUSANDS OF SITES THAT WERE  
15 ORGANIZED THROUGH OUR WEB SITE. WE PROVIDE THEM  
16 SORT OF A PACKAGE OF RESOURCES, AND THEN THEY  
17 RUN WITH IT. AND THAT'S GOING TO BE SOMETHING  
18 THAT WE ARE CONSISTENT ABOUT THROUGHOUT MY  
19 PRESIDENCY.

20 NOW, THE ONLY OTHER THING I'LL SAY IS  
21 THAT IN ADDITION TO SERVICE, A PART OF MY

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22 MESSAGE IN MY INAUGURATION SPEECH, PART OF MY  
0006

1 MESSAGE IN EVERY SPEECH I HOPE THAT I GIVE OVER  
2 THE NEXT FOUR YEARS IS THAT GOVERNMENT CAN'T DO  
3 EVERYTHING AND THAT EVERYBODY HAS GOT A ROLE TO  
4 PLAY.

5 AND EDUCATION IS PROBABLY A GOOD  
6 EXAMPLE OF THIS. ARTIE BECKETT AND I HAVE  
7 TALKED EXTENSIVELY ABOUT THIS. I THINK THERE IS  
8 AN OPPORTUNITY FOR ME TO BE ABLE TO SPEAK ABOUT  
9 THE OBLIGATIONS OF PARENTS AND OF STUDENTS IN  
10 RAMPING UP OUR EDUCATIONAL PERFORMANCE.

11 AND I MAYBE CAN SAY SOME THINGS THAT  
12 SOME PREVIOUS PRESIDENTS COULDN'T HAVE SAID,  
13 PARTICULARLY TO INNER CITY AMERICA AND TO  
14 AFRICAN-AMERICAN FATHERS. AND WE DID SOME OF  
15 THAT DURING THE COURSE OF THE CAMPAIGN.

16 WE'RE IN A STRONGER POSITION, I THINK,  
17 OBVIOUSLY TO DO THAT NOW.

18 REPORTER: ONE SAID OF MILITARY DRAFT,  
19 FROM TIME TO TIME SOMEONE SUGGESTS NATIONAL,  
20 REQUIRING NATIONAL SERVICE OF SOME KIND, AS A  
21 TEACHER OR SOMETHING.

22 PRESIDENT-ELECT OBAMA: RIGHT.

0007

1 REPORTER: DO YOU HAVE ANY INCLINATION  
2 ABOUT THIS IDEA?

3 PRESIDENT-ELECT OBAMA: WHAT I  
4 DISCOVERED DURING THE COURSE OF THE CAMPAIGN WAS  
5 THAT THERE IS A HUNGER THERE THAT I DON'T THINK  
6 REQUIRES A NATIONAL DRAFT. I THINK WHAT IS  
7 REQUIRED IS MEANINGFUL AVENUES FOR PEOPLE TO  
8 PARTICIPATE.

9 I MEAN, THE REASON WE GOT ALL THESE  
10 YOUNG PEOPLE INVOLVED IN OUR CAMPAIGN WAS WE  
11 GAVE THEM REAL WORK. THEY WOULDN'T BE COMING  
12 INTO THE CAMPAIGN AND JUST POURING COFFEE. WE  
13 WOULD SAY, HERE, YOU'RE IN CHARGE OF THIS ENTIRE

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14 NEIGHBORHOOD AND TELL US, FIGURE OUT HOW YOU'RE  
15 GOING TO REACH OUT TO PEOPLE, HOW YOU'RE GOING  
16 TO ORGANIZE THEM, WHAT THEIR PROBLEMS ARE AND SO  
17 FORTH.

18 AND I THINK WE CONSTANTLY  
19 UNDERESTIMATE THE DEGREE TO WHICH PEOPLE WANT TO  
20 BE INVOLVED. WHEN YOU LOOK AT THE DEGREE TO  
21 WHICH A PROGRAM LIKE TEACH FOR AMERICA IS  
22 CONSISTENTLY OVERSUBSCRIBED, YOU KNOW, THERE ARE  
0008

1 ALWAYS MORE PEOPLE APPLYING THAN THERE ARE  
2 SLOTS. THE NUMBER OF PEOPLE WHO APPLIED FOR  
3 FEDERAL WORK AFTER MY ELECTION, WHAT WAS THE  
4 NUMBER, ROBERT, DO YOU REMEMBER? I MEAN, IT WAS  
5 SOMETHING -- IT HAD --

6 UNIDENTIFIED SPEAKER: CRAZY NUMBER.

7 PRESIDENT-ELECT OBAMA: IT HAD  
8 QUADRUPLED OR QUINTUPLED WHAT HAD HAPPENED FOUR  
9 OR EIGHT YEARS EARLIER. SO I THINK THIS  
10 GENERATION IS READY AND PREPARED TO WORK. AND  
11 WHAT WE HAVE TO DO IS PROVIDE STRUCTURES FOR  
12 THEM WHERE THEY FEEL THAT THEY CAN USE THE FULL  
13 EXTENT OF THEIR TALENTS.

14 REPORTER: I HAVE A FOREIGN POLICY  
15 QUESTION. TO WHAT EXTENT IS THE PROMOTION OF  
16 FREEDOM OF DEMOCRACY SOMETHING THAT YOU THINK  
17 SHOULD BE PART OF THE FOREIGN POLICY AND, IF IT  
18 IS A PART, HOW WOULD YOU DO IT DIFFERENTLY THAN  
19 IT HAS BEEN DONE IN THE PAST EIGHT YEARS?

20 PRESIDENT-ELECT OBAMA: WELL, I THINK  
21 IT NEEDS TO BE AT A CENTRAL PART OF OUR FOREIGN  
22 POLICY. IT IS WHO WE ARE. IT IS ONE OF OUR

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1 BEST EXPORTS, IF IT IS NOT EXPORTED SIMPLY DOWN  
2 THE BARREL OF A GUN.

3 AND ONE OF THE MISTAKES, I THINK, HAS  
4 BEEN MADE OVER THE LAST EIGHT YEARS, AND, BY THE  
5 WAY, I'M NOT SOMEBODY WHO DISCOUNTS THE

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6 SINCERITY AND WORTHINESS OF PRESIDENT BUSH'S  
7 CONCERNS ABOUT DEMOCRACY AND HUMAN RIGHTS, AND I  
8 THINK A LOT OF THE WAYS THAT HE SPOKE ABOUT IT  
9 WERE VERY ELOQUENT, BUT I THINK THE MISTAKE THAT  
10 WAS MADE IS DRAWING AN EQUIVALENCE BETWEEN  
11 DEMOCRACY AND ELECTIONS.

12 ELECTIONS AREN'T DEMOCRACY, AS WE  
13 UNDERSTAND IT. THEY ARE ONE FACET OF A LIBERAL  
14 ORDER, AS WE UNDERSTAND IT. AND SO IN A LOT OF  
15 COUNTRIES, YOU KNOW, THE FIRST QUESTION IS, IF  
16 YOU GO BACK TO ROOSEVELT'S FOUR FREEDOMS, THE  
17 FIRST QUESTION IS FREEDOM FROM WANT AND FREEDOM  
18 FROM FEAR.

19 IF PEOPLE AREN'T SECURE, IF PEOPLE ARE  
20 STARVING, THEN ELECTIONS MAY OR MAY NOT ADDRESS  
21 THOSE ISSUES, BUT THEY ARE NOT A PERFECT  
22 OVERLAY.

0010

1 AND, YOU KNOW, ISSUES LIKE ARBITRARY  
2 ARREST OR CORRUPTION MAY OR MAY NOT BE ADDRESSED  
3 BY AN ELECTION. SO I THINK WHAT WE NEED TO BE  
4 THINKING ABOUT IS, IN VARIOUS COUNTRIES, AND I  
5 USE MY FATHER'S HOME COUNTRY OF KENYA AS AN  
6 EXAMPLE, WHAT WE SHOULD BE SPENDING MORE TIME  
7 THINKING ABOUT IS HOW CAN WE PROVIDE THEM TOOLS  
8 SO THAT SOMEBODY DOESN'T GET STOPPED ON THE  
9 STREET BY A POLICE OFFICER AND SHAKEN DOWN, OR  
10 HOW DO WE CREATE A SYSTEM IN WHICH YOU DON'T  
11 HAVE TO PAY A LARGE BRIBE IN ORDER TO GET A JOB  
12 OR GET A PHONE INSTALLED.

13 AND IF WE IGNORE THOSE THINGS, THEN  
14 OFTENTIMES AN ELECTION CAN JUST BACKFIRE OR AT  
15 LEAST WON'T DELIVER FOR THE PEOPLE THE KINDS OF  
16 -- IT MAY RAISE EXPECTATIONS, BUT NOT DELIVER  
17 WHAT THEY'RE LOOKING FOR. AND, YOU KNOW, SO WE  
18 WILL BE WORKING WITH -- YOU KNOW, ONE OF THE  
19 THINGS THAT I HAVE PLEDGED TO DO IN FOREIGN  
20 POLICY IS TO RAMP UP OUR STATE DEPARTMENT AND

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21 RESTORE SOME BALANCE BETWEEN THE CIVILIAN AND  
22 THE MILITARY SIDE, TO -- AND RIGHT NOW WE HAVE  
0011

1 ALREADY BEGUN CONDUCTING A THOROUGH REVIEW OF  
2 OUR VARIOUS AID PROGRAMS, OUR DEMOCRACY  
3 PROGRAMS, HOW DO THESE ALL FIT TOGETHER AND HOW  
4 DO WE VIEW IT THROUGH A LENS THAT IT IS ACTUALLY  
5 DELIVERING A BETTER LIFE FOR PEOPLE ON THE  
6 GROUND AND LESS OBSESSED WITH FORM, MORE  
7 CONCERNED WITH SUBSTANCE.

8 REPORTER: MAYBE IF I COULD STEER YOU  
9 ON TO THE ECONOMY FOR A MINUTE. OBVIOUSLY  
10 CONGRESS IS DISCUSSING HOW MUCH MONEY IT IS  
11 WILLING TO PUT UP FOR THIS BAILOUT OR STIMULUS.  
12 DO YOU THINK THERE IS SUFFICIENT -- DO YOU THINK  
13 THE U. S. HAS THE RESOURCES TO COPE WITH ALL THE  
14 PROBLEMS THAT IT FACES WITHOUT CREATING DEEPER  
15 PROBLEMS, MEANING SOME PEOPLE HAVE EXPRESSED  
16 CONCERN ABOUT THE LONG-TERM CREDITWORTHINESS OF  
17 THE COUNTRY, IF IT KEEPS PUTTING FORWARD --

18 PRESIDENT-ELECT OBAMA: INCLUDING ME.

19 REPORTER: SO PERHAPS IF YOU COULD  
20 ELABORATE ON THAT.

21 PRESIDENT-ELECT OBAMA: WELL, WHY DON' T  
22 I JUST SORT OF LAY OUT THE FRAMEWORK AS WE' RE

0012

1 THINKING ABOUT IT AND IT WILL INCLUDE THIS  
2 PARTICULAR ISSUE.

3 FOR THE LAST THREE MONTHS I HAVE BEEN  
4 WORKING WITH ADVISORS THINKING ABOUT WHAT' S THE  
5 BEST WAY TO APPROACH OUR ECONOMIC SITUATION.  
6 THERE IS UNANIMITY OR CLOSE TO UNANIMITY ON THE  
7 PART OF SERIOUS ECONOMISTS THAT GIVEN THE  
8 DECLINE IN CONSUMER DEMAND, GIVEN THE DECLINE IN  
9 BUSINESS INVESTMENT, GIVEN THAT THE CREDIT  
10 MARKETS ARE STILL VERY FRAGILE, THAT A STIMULUS  
11 PACKAGE WAS NECESSARY AND IT HAD TO BE ROBUST.  
12 AND THE DEFINITION OF ROBUST THAT I RECEIVED WAS

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13 ANYWHERE INITIALLY FROM 3- TO 500 AND THEN  
14 SUDDENLY IT WAS 600.

15 AND NOW IF YOU TALK TO MOST  
16 ECONOMISTS, IT IS SOMEWHERE BETWEEN 800 AND 1.3  
17 BILLION -- 1.3 TRILLION, EXCUSE ME.

18 SO OUR STARTING POINT WAS THAT IF WE  
19 ARE TO JUMPSTART THE ECONOMY, PREVENT VERY RAPID  
20 DECLINE, WHICH, BY THE WAY, WOULD HAVE TERRIBLE  
21 BUDGET IMPLICATIONS, BECAUSE MORE PEOPLE LAID  
22 OFF, MORE PEOPLE DRAWING ON UNEMPLOYMENT

0013

1 INSURANCE, HUGE BUDGET HOLES AMONG THE STATES,  
2 LOST TAX REVENUE, THAT WE COULD BE IN AN EVEN  
3 DEEPER HOLE, THAT OUR MOST APPROPRIATE RESPONSE  
4 WAS TO GO BIG, DO IT NOW, AND THAT'S HOW OUR  
5 STIMULUS PACKAGE GOT STRUCTURED.

6 NOW, I SHOULD POINT OUT JUST IN TERMS  
7 OF THE DETAILS OF THE STIMULUS PACKAGE, BECAUSE  
8 I AM ANTICIPATING A FEW QUESTIONS, WE AGREED  
9 WITH THE ASSESSMENT -- I THINK ACTUALLY MOST  
10 ECONOMISTS, INCLUDING ONES THAT ARE SUSPICIOUS  
11 OF FEDERAL SPENDING, AGREED THAT IN TERMS OF  
12 STIMULATIVE EFFECT, YOU GET MOST BANG FOR THE  
13 BUCK BY DIRECT GOVERNMENT SPENDING, WHETHER IT  
14 IS BUILDING ROADS AND BRIDGES OR  
15 COUNTER-CYCLICAL PAYMENTS TO STATES FOR THINGS  
16 LIKE UNEMPLOYMENT INSURANCE. SO WE HAVE TRIED  
17 TO PLUMP UP AS MUCH OF THAT AS POSSIBLE WITHIN A  
18 RESTRICTED TIME FRAME. WE GOT TO AROUND 500  
19 BILLION OR SO, AND THEN YOU -- I MEAN, IT'S NOT  
20 SOMETHING I HAVE SAID PUBLICLY, BECAUSE I THINK  
21 IT IS HARD -- IT IS COUNTERINTUITIVE, BUT  
22 SPENDING MONEY WISELY IS NOT EASY.

0014

1 AND SO THEN I ASKED ABOUT TAX CUTS.  
2 AND THE GENERAL VIEW OF ECONOMISTS AND BUSINESS  
3 LEADERS WAS THAT TAX CUTS MIGHT NOT BE AS  
4 EFFECTIVE AS DIRECT GOVERNMENT SPENDING, BUT IN

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5 THIS CONTEXT WHERE YOU NEEDED A VERY LARGE  
6 STIMULUS, THAT IT WAS BETTER TO DO TAX CUTS THAN  
7 NOT TO DO TAX CUTS.

8 WE THEN TRIED TO DESIGN TAX CUTS THAT  
9 WOULD BE MORE LIKELY TO BE SPENT THAN NOT. THE  
10 PROPOSAL THAT I HAD MADE EARLY ON TO OFFSET THE  
11 PAYROLL TAX, WE FELT WAS AN EXAMPLE OF SOMETHING  
12 THAT WOULD BENEFIT A LOT OF PEOPLE, INCLUDING  
13 THOSE WHO COULD -- WHO WOULD SPEND THE MONEY  
14 QUICKLY BECAUSE THEY ARE UNDER VERY SEVERE  
15 FINANCIAL STRAIN.

16 THE BUSINESS TAX CUTS THAT WE PROPOSED  
17 WERE GENERALLY ONES THAT INVOLVED, FOR EXAMPLE,  
18 ACCELERATING DEPRECIATION. THEY ARE NECESSARILY  
19 TIME LIMITED, DON'T BUILD IN A BIG TAIL, AND, IN  
20 FACT, YOU RECOVER THE MONEY BECAUSE THEY HAVE  
21 ACCELERATED THE DEPRECIATION. THAT MEANS THAT  
22 YOU GET THE MONEY BACK ON THE OUT-YEARS. SO

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1 THAT WAS THE GENESIS OF THE STIMULUS.

2 NOW, WE ARE ALSO VERY MINDFUL THAT  
3 HAVING SET UP A STIMULUS, ALREADY INHERITING  
4 OVER A TRILLION DOLLAR DEFICIT, GIVEN THAT THE  
5 NATIONAL DEBT HAS DOUBLED, THAT AS SOON AS  
6 ECONOMIC RECOVERY TAKES PLACE, THEN WE HAVE GOT  
7 TO BEND THE CURVE AND FIGURE OUT HOW DO WE GET  
8 FEDERAL SPENDING ON A MORE SUSTAINABLE PATH.

9 WE ARE SAVING MOST OF THE DETAILS FOR  
10 THAT FOR OUR BUDGET IN FEBRUARY. I CAN TELL YOU  
11 THAT WE'RE GOING TO HAVE A FISCAL RESPONSIBILITY  
12 SUMMIT IN FEBRUARY BEFORE WE RELEASE THE BUDGET  
13 THAT WILL INCLUDE, YOU KNOW, ALL THE KEY  
14 PLAYERS, BLUE DOGS, GREGG, CONRAD, OUTSIDE  
15 GROUPS, ECONOMISTS, TO SEND A SIGNAL THAT WE ARE  
16 SERIOUS. AND THAT IS -- THE DISCUSSIONS ARE  
17 GOING TO BE WIDE-RANGING.

18 YOU KNOW, WE WILL TALK ABOUT WASTE,  
19 AND WE HAVE ALREADY ASSIGNED A CHIEF PERFORMANCE

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20 OFFICER TO MAKE RECOMMENDATIONS ON THAT FRONT,  
21 FINAL WORKING WITH PETER ORSZAG. WE'RE GOING TO  
22 TALK ABOUT IMPROPER PAYMENTS, ALL THE STANDARD  
0016

1 LOW HANGING FRUIT. AND THEN WE'RE GOING TO HAVE  
2 A DISCUSSION ABOUT ENTITLEMENTS AND HOW WE GET A  
3 GRASP ON THOSE.

4 AND, YOU KNOW, I THINK EVERYBODY HERE  
5 IS FAMILIAR ENOUGH WITH THE BUDGET PROBLEMS TO  
6 KNOW THAT AS BAD AS THESE DEFICITS THAT WE'RE  
7 RUNNING UP OVER THE NEXT -- THAT HAVE ALREADY  
8 BEEN RUN UP HAVE BEEN, AND DESPITE THE COST OF  
9 BOTH TARP AND THE STIMULUS, THE REAL PROBLEM  
10 WITH OUR LONG-TERM DEFICIT ACTUALLY HAS TO DO  
11 WITH OUR ENTITLEMENT OBLIGATIONS AND THE FACT  
12 THAT HISTORICALLY IF OUR REVENUES RANGE BETWEEN  
13 18 AND 20 PERCENT OF GVP, THEY ARE NOW AT 16, IT  
14 IS JUST NOT SUSTAINABLE.

15 SO WE'RE GOING TO HAVE TO CRAFT WHAT  
16 GEORGE STEPHANOPOULOS CALLED A GRAND BARGAIN. I  
17 TRY NOT TO USE THE WORD GRAND IN ANYTHING THAT I  
18 SAY, BUT WE'RE GOING TO HAVE TO SHAPE A BARGAIN.  
19 THIS, BY THE WAY, IS WHERE THERE ARE GOING TO BE  
20 SOME VERY DIFFICULT CHOICES, AND ISSUES OF  
21 SACRIFICE AND RESPONSIBILITY AND DUTY ARE GOING  
22 TO COME IN, BECAUSE WHAT WE HAVE DONE IS KICKED  
0017

1 THIS CAN DOWN THE ROAD. WE'RE NOW AT THE END OF  
2 THE ROAD.

3 AND WE ARE NOT IN A POSITION TO KICK  
4 IT ANY FURTHER.

5 REPORTER: AND HOW DO YOU FEEL ABOUT A  
6 BRAC COMMISSION MODEL, IS THAT THE WAY TO DO IT?

7 PRESIDENT-ELECT OBAMA: THAT, I THINK,  
8 IS SOMETHING WORTH TALKING ABOUT. SO THAT WILL  
9 BE PART OF THE CONVERSATION THAT WE HAVE IN  
10 FEBRUARY.

11 BUT ONE THING THAT I HAVE SAID

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12 PUBLICLY AND I WILL REPEAT IS THAT I HAVE TOLD  
13 MY FOLKS, TO SOME CONSTERNATION ON THEIR PART,  
14 THAT WE HAVE TO SIGNAL SERIOUSNESS IN THIS BY  
15 MAKING SURE THAT SOME OF THE HARD DECISIONS ARE  
16 MADE UNDER MY WATCH AND NOT UNDER SOMEBODY'S  
17 ELSE'S.

18 BECAUSE THE USUAL GAME IS TO SAY,  
19 WELL, HERE IS WHAT'S GOING TO HAPPEN. BY THE  
20 WAY, IT JUST HAPPENS TO START KICK IN ON THE  
21 NINTH YEAR FROM NOW, AND, YOU KNOW, WHAT I THINK  
22 WE HAVE TO SIGNAL IS THAT WE'RE WILLING TO MAKE  
0018

1 SOME HARD DECISIONS NOW.

2 SO THAT'S THE SECOND KEY COMPONENT I  
3 THINK OF A RECOVERY. NOW, THERE IS ONE LAST  
4 ASPECT OF THIS THAT I WANT TO -- OR TWO OTHER  
5 ASPECTS THAT I WANT TO MENTION.

6 NUMBER 1, WHEN IT CAME TO THE STIMULUS  
7 PACKAGE, MY CHARGE TO MY TEAM WAS TO DO  
8 EVERYTHING WE COULD TO ENSURE THAT THE MONEY  
9 THAT WAS SPENT ON BUYING STUFF WAS LAYING THE  
10 FOUNDATION FOR LONG-TERM ECONOMIC GROWTH, AND  
11 SPECIFICALLY FOCUSED ON THREE THINGS THAT I  
12 THINK ARE CRITICAL TO THAT GROWTH: ENERGY  
13 EFFICIENCY AND INDEPENDENCE, REDUCING THE COST  
14 OF HEALTHCARE, AND IMPROVING OUR EDUCATIONAL  
15 PERFORMANCE.

16 AND SO THOSE VALUES, I THINK, ARE  
17 REFLECTED IN WHAT AT LEAST WE PRIORITIZED IN THE  
18 STIMULUS PACKAGE.

19 AND THE FINAL THING I WANTED TO TALK  
20 ABOUT A LITTLE BIT IS THE FINANCIAL SYSTEM AND  
21 THE RICKETY NATURE OF THE FINANCIAL SYSTEM RIGHT  
22 NOW. WE CAN'T JUST SPEND OUR WAY OUT OF THE

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1 PROBLEM. AT SOME POINT CREDIT HAS TO FLOW  
2 EFFECTIVELY.

3 NOW, I DON'T WANT TO HAVE A VERY

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4 DETAILED CONVERSATION IN FRONT OF WARREN BUFFETT  
5 BECAUSE HE WILL RECOGNIZE EVERY WRONG THING THAT  
6 I SAY HERE. BUT --

7 REPORTER: I HAVE THAT PROBLEM, TOO.

8 PRESIDENT-ELECT OBAMA: BUT I THINK HE  
9 WOULD CONCUR WITH THE GENERAL PROPOSITION THAT  
10 THE CREDIT MARKETS ARE STILL VERY WEAK, THAT  
11 BANKS NOW ARE FULLY CAUGHT UP IN A DOWNWARD  
12 SPIRAL WHERE THEY HAVE NOW AFFECTED THE REAL  
13 ECONOMY, THE REAL ECONOMY IS NOW AFFECTING THEIR  
14 BALANCE SHEETS, AND SO WE'RE GOING TO HAVE TO  
15 INTELLIGENTLY AND STRATEGICALLY INFUSE SOME  
16 ADDITIONAL CAPITAL INTO THE FINANCIAL SYSTEM.  
17 THAT'S WHY I REQUESTED THE TRIGGERING OF THE  
18 SECOND ROUND OF TARP.

19 I THINK WE HAVE GOT TO USE IT IN A  
20 TRANSPARENT, CLEAR, ACCOUNTABLE WAY, NOT JUST  
21 BECAUSE THAT'S WHAT TAXPAYERS EXPECT BUT IN THE  
22 ABSENCE OF THAT THE MARKETS ARE NOT GOING TO

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1 RESPOND THE WAY WE NEED THEM TO, AND SOME OF  
2 THIS JUST HAS TO DO WITH PSYCHOLOGY AND  
3 CONFIDENCE.

4 AND THE LAST PIECE OF THIS IS WE'RE  
5 GOING TO HAVE TO PUT FORWARD A FINANCIAL  
6 REGULATORY REGIME THAT ALSO INSPIRES CLARITY AND  
7 TRANSPARENCY AND CAN START REBUILDING SOME TRUST  
8 BETWEEN THE VARIOUS ACTORS.

9 AND SO ALREADY WE HAVE STARTED ON THAT  
10 FRONT AND WE ARE GOING TO BE TRYING TO ROLL THAT  
11 OUT EARLY IN MY TERM AS WELL.

12 REPORTER: WILL THAT PLAN RECOGNIZE  
13 THE PLAN LAID OUT TODAY BY PAUL VOLCKER FOR THE  
14 G30, TALKING ABOUT MORE TRANSPARENCY IN THE  
15 WORLD FINANCIAL SYSTEM?

16 PRESIDENT-ELECT OBAMA: WELL, SINCE  
17 PAUL IS ONE OF MY CHIEF ADVISORS, I SUSPECT THAT  
18 SOME OF THE THINGS PAUL SAYS WILL BE REFLECTED

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19 IN OUR DOCUMENT. OUR GOAL IS TO HAVE A VERY  
20 CLEAR SENSE OF DIRECTION BEFORE THE G20 MEETING.  
21 AND, YOU KNOW, SO THAT WHEN I ARRIVE, IT IS NOT  
22 JUST A VAGUE NOTION THAT WE NEED BETTER

0021

1 COORDINATION BUT SOME SPECIFICS IN TERMS OF HOW  
2 WE ARE GOING TO OPERATE THAT CAN GIVE OTHER  
3 COUNTRIES SOME DIRECTION IN TERMS OF HOW THEY  
4 MIGHT WANT TO THINK ABOUT THOSE PROBLEMS.

5 REPORTER: SIR, CAN I FOLLOW UP ON  
6 ENTITLEMENTS? I KNOW IT IS NOT FEBRUARY AND I  
7 KNOW YOU DON'T WANT TO TIP YOUR HAND COMPLETELY.

8 PRESIDENT-ELECT OBAMA: THAT WOULD BE  
9 CORRECT.

10 REPORTER: BUT GIVEN THAT  
11 UNDERSTANDING, AND THANK YOU FOR COMING.

12 PRESIDENT-ELECT OBAMA: SURE.

13 REPORTER: COULD YOU TALK A LITTLE BIT  
14 ABOUT WHAT YOU SEE AS THE POTENTIAL BENEFITS OR  
15 THE POTENTIAL DRAWBACKS OF A COMMISSION  
16 APPROACH, AND CERTAINLY GIVEN THE GRIDLOCK  
17 POLITICAL NATURE OF OUR SYSTEM, WHAT  
18 ALTERNATIVES MIGHT BE AVAILABLE IF YOU DON'T GO  
19 TO THAT? AND, SECOND, IF I COULD SQUEEZE IN A  
20 LITTLE BIT MORE HERE ON THAT, WHEN YOU TALK  
21 ABOUT THE HARD CHOICES AND WHEN YOU TALK ABOUT  
22 THE SACRIFICE AND TALK ABOUT WHAT YOU WANT TO DO

0022

1 IN YOUR FIRST TWO TERMS, I GUESS --

2 UNIDENTIFIED PERSON: FIRST TWO TERMS?

3 PRESIDENT-ELECT OBAMA: FDR KIND OF  
4 TOOK CARE OF THAT THING.

5 UNIDENTIFIED PERSON: AWESOME  
6 SUGGESTION. I NEED TO CALL MY WIFE.

7 REPORTER: IT IS A BLUE COMET THING.  
8 ANYTHING IS POSSIBLE.

9 WHAT ARE YOU TALKING ABOUT? YOU  
10 TALKED ABOUT ENTITLEMENTS. ARE THE BENEFITS

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11 THAT HAVE BEEN PROMISED IN TERMS OF HEALTHCARE  
12 AND RETIREMENT INCOME AFFORDABLE?

13 PRESIDENT-ELECT OBAMA: WE'RE THINKING  
14 -- I DON'T WANT TO DODGE YOUR QUESTION, BUT  
15 GIVEN THAT WE'RE GOING TO BE LAYING OUT, YOU  
16 KNOW, SOME VERY SPECIFIC AT LEAST PROCEDURES  
17 THROUGH WHICH WE'RE GOING TO DEAL WITH THIS, AND  
18 GIVEN THAT THE BLOODSTREAM IS ABSORBING AN AWFUL  
19 LOT FROM ME RIGHT NOW IN TERMS OF ECONOMIC  
20 PLANS, I DON'T WANT TO PREJUDGE HOW WE APPROACH  
21 THIS.

22 WHAT I'LL TELL YOU IS WHAT YOU ALREADY  
0023

1 KNOW, WHICH IS SOCIAL SECURITY IS EASIER TO DEAL  
2 WITH. DURING THE CAMPAIGN I TALKED ABOUT SOME  
3 APPROACHES TO IT. BUT I AM OPEN TO OTHER IDEAS  
4 THAT MAY ARISE, BUT I THINK THAT SOCIAL SECURITY  
5 WE CAN SOLVE.

6 THE BIG PROBLEM IS MEDICARE, WHICH IS  
7 UNSUSTAINABLE. AND I WILL TELL YOU MY GENERAL  
8 PRINCIPLE, WHICH IS THAT WE CAN'T SOLVE MEDICARE  
9 IN ISOLATION FROM THE BROADER PROBLEMS OF THE  
10 HEALTHCARE SYSTEM. AND SO WHEN PEOPLE ASK ME  
11 HOW ARE YOU GOING TO AFFORD TO DO HEALTHCARE,  
12 GIVEN THE BUDGET SCENARIOS, MY RESPONSE TO THEM  
13 IS: I CAN'T AFFORD NOT TO DO HEALTHCARE, GIVEN  
14 THE BUDGET SCENARIOS.

15 AND THE DECISIONS THAT WE MAKE AROUND  
16 HEALTHCARE THEN WILL SHAPE WHAT WE CAN DO IN  
17 MEDICARE AND MEDICAID. SO, I MEAN, LET ME JUST  
18 GIVE YOU A VERY SPECIFIC EXAMPLE.

19 WE KNOW THAT THERE IS A DIFFERENCE,  
20 YOU KNOW, IN SORT OF COMPARATIVE COSTS BETWEEN A  
21 STATE LIKE MINNESOTA AND A STATE LIKE FLORIDA  
22 ACROSS THE BOARD IN THEIR HEALTHCARE SYSTEM,

0024

1 DESPITE THE FACT THAT THE FOLKS IN MINNESOTA  
2 HAVE BETTER OUTCOMES THAN THE FOLKS IN FLORIDA.

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3 WHY IS THAT? SO LET'S FIGURE THIS OUT. I  
4 SUSPECT THAT WHAT YOU ARE GOING TO FIND IS IN  
5 FLORIDA THERE ARE MORE PROCEDURES THAT ARE  
6 ORDERED, THERE IS MORE DEFENSIVE MEDICINE, THERE  
7 ARE A WHOLE HOST OF THINGS THAT ARE BEING DONE.  
8 WE'RE GOING TO HAVE TO CHANGE THAT.

9 REPORTER: FOLKS IN FLORIDA, THEY  
10 CAN'T HAVE THEIR PROCEDURES?

11 PRESIDENT-ELECT OBAMA: WELL, THAT'S MY  
12 POINT. THE MINUTE YOU GET INTO THE DETAILS,  
13 THEN -- IT IS NOT SO MUCH NECESSARILY TELLING  
14 THE FOLKS IN FLORIDA. IT IS TALKING TO  
15 PROVIDERS IN FLORIDA. WHAT ARE THEY DOING  
16 DIFFERENTLY FROM THE FOLKS IN MINNESOTA THAT  
17 LEADS TO THESE HUGE DISCREPANCIES?

18 IN THEORY, YOU CAN FIGURE THIS OUT.  
19 THEN WHEN IT COMES TO SPECIFICALLY HOW DO YOU  
20 ROOT OUT THAT KIND OF EXCESS EXPENDITURE IN THE  
21 SYSTEM, THAT BECOMES TOUGH. BUT HERE IS MY  
22 POINT WHEN IT COMES TO HEALTHCARE.

0025

1 WHAT I THINK IS PROBABLY THE WRONG  
2 APPROACH IS TO THINK, WELL, THE WAY TO SOLVE  
3 THIS IS MEDICARE IS SPENDING X, AND WE'RE JUST  
4 GOING TO CAP IT AT Y, AND WHATEVER THAT MEANS IN  
5 TERMS OF PEOPLE BEING THROWN OFF THE ROLLS OR  
6 CUTTING BENEFITS, YOU KNOW, THEN SO BE IT,  
7 BECAUSE THAT DOESN'T SOLVE THE UNDERLYING  
8 PROBLEM, WHICH IS HEALTHCARE COSTS THEMSELVES  
9 ARE STILL ESCALATING AT A 6 OR 7 OR 8 PERCENT  
10 RATE. ALL WE'RE DOING IS WE'RE JUST SAYING TO  
11 PEOPLE, YOU KNOW WHAT, YOU'RE GOING TO GET LESS  
12 HEALTHCARE.

13 NOW, IN SOME CASES, YOU KNOW, THERE  
14 MAY BE SITUATIONS WHERE WE ASK MORE OF PEOPLE IN  
15 TERMS OF THEIR OWN PREVENTIVE CARE AND SO FORTH.  
16 YOU KNOW, I HAVEN'T -- I DON'T RULE OUT THE  
17 NOTION THAT IN SOME CASES HAVING MORE

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18 CONSUMER-DRIVEN HEALTHCARE DECISIONS CAN BE  
19 USEFUL.

20 I WOULD ARGUE THAT THAT PROBABLY IS  
21 TRUE MORE AT THE MARGINS. IF MY DAUGHTER GETS  
22 SICK AND IT IS A SERIOUS ILLNESS, THEN I'M NOT  
0026

1 CONSUMER SHOPPING. I'M TELLING PEOPLE: CURE MY  
2 DAUGHTER. AND SO THIS IS NOT A VERY ELASTIC  
3 DEMAND SITUATION.

4 BUT HOPEFULLY THAT GIVES YOU SOME  
5 SENSE THERE. NOW, IN TERMS OF PROCESS, I DON'T  
6 KNOW WHETHER THE COMMISSION -- I DON'T WANT TO  
7 PREJUDGE THAT. THAT'S PART OF WHY WE WANT TO  
8 HAVE THE SUMMIT. THAT'S PART OF THE REASON WHY  
9 I THINK TOM DASCHLE IS THE RIGHT PERSON TO BE  
10 DEEPLY INVOLVED IN THIS. SO MUCH OF THIS IS  
11 POLITICS AS OPPOSED TO TECHNICAL PROBLEMS. THE  
12 TECHNICAL PROBLEMS ARE REALLY HARD. THE  
13 POLITICS ARE EVEN HARDER.

14 BUT I THINK WHAT HAS -- WHETHER THERE  
15 WAS A COMMISSION OR NOT, YOU HAVE TO HAVE A  
16 PRESIDENT WHO IS WILLING TO SPEND SOME POLITICAL  
17 CAPITAL ON THIS. AND I INTEND TO SPEND SOME.

18 UNIDENTIFIED PERSON: DO YOU WANT TO  
19 JUMP IN?

20 REPORTER: SURE. GETTING BACK A  
21 LITTLE BIT TO THE ECONOMY, WHAT DOES A RECOVERY  
22 LOOK LIKE? ASSUMING THAT YOU GET WHAT YOU WANT

0027  
1 IN TERMS OF THE PRESCRIPTIONS, WHEN DO WE GET  
2 THE JOBS BACK? WHEN DOES THE SORT OF SENSE OF  
3 GLOOM EVAPORATE AND --

4 PRESIDENT-ELECT OBAMA: WELL, THE SENSE  
5 OF GLOOM EVAPORATES ON JANUARY 20TH.

6 REPORTER: ABOUT WHAT TIME?

7 (LAUGHTER)

8 UNIDENTIFIED PERSON: I THINK AROUND  
9 NOON.

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10 PRESIDENT-ELECT OBAMA: ABOUT 12:01.  
11 REPORTER: AND THEN MY KIDS WANT TO  
12 KNOW WHETHER YOU HAVE A FAVORITE CARTOON AND HOW  
13 OFTEN YOU ORDER PIZZA.

14 PRESIDENT-ELECT OBAMA: OKAY. THOSE  
15 ARE ALL IMPORTANT QUESTIONS. I WILL TAKE THEM  
16 IN ORDER OF IMPORTANCE. WE ORDER PIZZA I WOULD  
17 SAY ONCE EVERY TWO WEEKS. FAVORITE CARTOON  
18 THESE DAYS IS SPONGEBOB, JUST BECAUSE OVER THE  
19 LAST SEVERAL YEARS I HAVE BEEN, YOU KNOW,  
20 ACCULTURATED BY MY DAUGHTERS TO IT.

21 UNIDENTIFIED PERSON: EXPOSED.

22 PRESIDENT-ELECT OBAMA: I HAVE BEEN

0028

1 EXPOSED TO IT. IT IS FUNNY. IT IS A GOOD SHOW.  
2 IN TERMS OF WHAT DOES RECOVERY LOOK  
3 LIKE? LOOK, THERE IS A TECHNICAL DESCRIPTION,  
4 WHICH IS WE'RE GROWING AGAIN INSTEAD OF  
5 CONTRACTING. WE'RE NO LONGER SHEDDING JOBS,  
6 WE'RE CREATING THEM, ALTHOUGH WE MAY NOT BE  
7 CREATING THEM AT THE PACE THAT'S REQUIRED TO  
8 ACCOMMODATE GROWING POPULATIONS.

9 SO THAT'S THE TECHNICAL ASSESSMENT.  
10 LOOK, IF WE MAKE THAT KIND OF PROGRESS OVER THE  
11 COURSE OF THE NEXT YEAR, YOU KNOW, I THINK  
12 EVERYBODY WOULD FEEL BETTER THAN THEY DO RIGHT  
13 NOW.

14 SO PART OF WHAT WE'RE TRYING TO DO IS  
15 JUST STOP THE BLEEDING.

16 REPORTER: SHOULD THAT BE THE  
17 EXPECTATION PEOPLE HAVE THAT WITHIN A YEAR --

18 PRESIDENT-ELECT OBAMA: YOU KNOW, LOOK,  
19 I THINK BEFORE EVERYBODY STARTS WRITING, LET'S  
20 BE CLEAR. I DON'T HAVE A CRYSTAL BALL. NOBODY  
21 CAN TELL. WE'RE IN UNCHARTED WATERS HERE. AND  
22 WE DON'T KNOW EXACTLY HOW IT IS GOING TO PLAY

0029

1 OUT. I CAN REFER YOU TO MY ECONOMIC ADVISORS

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2 REPORT THAT WE ISSUED, THAT ACCOMPANIED THE  
3 STIMULUS, THAT SAID IN THE ABSENCE OF THE  
4 ACTIONS THAT I JUST OUTLINED, I THINK WE COULD  
5 ANTICIPATE DOUBLE DIGIT INFLATION OR HIGHER,  
6 EVEN WITH ALL THE THINGS THAT WE'RE DOING.

7 PERSON: EXCUSE ME, THE UNEMPLOYMENT?

8 PRESIDENT-ELECT OBAMA: THE  
9 UNEMPLOYMENT, EXCUSE ME. EVEN WITH THE STUFF  
10 THAT WE'RE DOING, I THINK WE CAN STILL  
11 ANTICIPATE THAT 2009 IS GOING TO BE VERY TOUGH,  
12 PARTLY BECAUSE UNEMPLOYMENT IS USUALLY A LAGGING  
13 INDICATOR, AND SO EVEN IF BUSINESSES START  
14 INVESTING AGAIN AND CREDIT STARTS FLOWING AGAIN,  
15 IT IS GOING TO TAKE SOME TIME FOR JOBS TO CATCH  
16 UP.

17 BUT THE ONE COMMITMENT I HAVE MADE AND  
18 WE ARE GOING TO DO EVERYTHING IN OUR POWER TO  
19 KEEP IS TO CREATE OR SAVE 3 MILLION JOBS THIS  
20 YEAR. AND THAT, I THINK, CAN AT LEAST STABILIZE  
21 THE PATIENT. HOW LONG THE PATIENT -- HOW LONG  
22 THE PATIENT TAKES TO FULLY RECOVER, YOU KNOW, I  
0030

1 WILL HAVE TO REFER YOU TO MY SPECIALISTS.

2 REPORTER: AND HOW DO WE MEASURE THE  
3 SAVE PIECE OF THAT, THE "CREATE OR SAVE" IS AN  
4 INTERESTING PHRASE. HOW WILL WE KNOW AT THE END  
5 OF THE YEAR --

6 PRESIDENT-ELECT OBAMA: I THINK THE WAY  
7 WE HAVE MADE THESE CALCULATIONS IS SIMPLY BASED  
8 ON PROJECTIONS OF WHERE WE'RE GOING RIGHT NOW  
9 AND MEASURING AGAINST WHAT ACTUALLY HAPPENS.

10 SO IF, I THINK -- AND I AM DOING THIS  
11 A LITTLE BIT OFF THE TOP OF MY HEAD -- BUT IF  
12 THE CURRENT PROJECTIONS ARE THAT WE COULD LOSE  
13 AS MANY AS 3 MILLION JOBS OR 4 MILLION JOBS THIS  
14 YEAR, YOU KNOW, OUR HOPE WOULD BE TO ACTUALLY  
15 CREATE SOME JOBS THIS YEAR.

16 BUT, YOU KNOW, WE'RE TRYING VERY

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17 CAREFULLY NOT TO OVER-PROMISE BECAUSE I THINK  
18 THAT PART OF THE CONFIDENCE, PART OF THE LIFTING  
19 THE GLOOM IS TO BE HONEST WITH THE AMERICAN  
20 PEOPLE ABOUT THE HOLE WE'RE IN AND THEN PROJECT  
21 CONFIDENCE THAT WE WILL DIG OUR WAY OUT OF IT AS  
22 LONG AS WE ACT SENSIBLY AND RESPONSIBLY.

0031

1 AND IF YOU START MAKING IT SOUND LIKE  
2 IT IS EASY, THEN, YOU KNOW, YOU MAY GET A  
3 SHORT-TERM HIGH, BUT, YOU KNOW, YOU'RE  
4 CONFIDENCE IS GOING TO CRASH PRETTY QUICKLY IF  
5 IT TURNS OUT THAT YOU WERE OVER-OPTIMISTIC. SO  
6 WHAT WE WANT IS STEADY PROGRESS, AND THAT IS  
7 SOMETHING I THINK WE CAN ACHIEVE.

8 REPORTER: THE CLINTON APPOINTMENT,  
9 WHY DID YOU WANT HER AND WHY DO YOU THINK SHE  
10 WANTED THE JOB?

11 PRESIDENT-ELECT OBAMA: I THINK THAT  
12 HILLARY CLINTON IS AS SMART, AS TOUGH, AND AS  
13 CAPABLE AS ANY PUBLIC SERVANT WE HAVE. SHE HAS  
14 EXTRAORDINARY GRASP OF FOREIGN POLICY AND  
15 INTEREST IN FOREIGN POLICY.

16 I LIKE HAVING SMART, TOUGH PEOPLE  
17 AROUND ME. I ALSO THINK THAT SHE OPERATES WITH  
18 GREAT PRECISION, GREAT PERSONAL DISCIPLINE,  
19 WHICH I THOUGHT WOULD BE WELL SUITED TO THE  
20 SECRETARY OF STATE'S OFFICE.

21 AND I KNOW THAT THERE WAS A LOT  
22 WRITTEN AFTER THE ANNOUNCEMENT OF THE

0032

1 APPOINTMENT ABOUT "TEAM OF RIVALS." THE TRUTH  
2 OF THE MATTER IS I ACTUALLY THINK THAT HILLARY  
3 CLINTON IS VERY MUCH A TEAM PLAYER. AND I HAVE  
4 BEEN EXTRAORDINARILY HAPPY WITH NOT ONLY THE  
5 GOOD ADVICE AND COUNSEL THAT SHE HAS GIVEN ME  
6 THUS FAR, BUT HER COMMITMENT TO REBUILDING THE  
7 STATE DEPARTMENT IN A WAY THAT'S GOING TO MAKE  
8 IT MORE EFFECTIVE.

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9 REPORTER: IN GENERAL YOU HAVE PUT  
10 STRONG PEOPLE IN MANY PLACES WHERE THEY COULD BE  
11 -- CAROL BROWNER, THE EQ CHIEF, LARRY SUMMERS  
12 AND TIM GUNTER. ARE THERE POTENTIAL PROBLEMS  
13 THERE? WHAT IS THE THEORY BEHIND IT?

14 PRESIDENT-ELECT OBAMA: THERE ARE  
15 ALWAYS POTENTIAL PROBLEMS. THE THEORY BEHIND IT  
16 IS THAT I SET THE TONE. AND IF I HAVE, IF THE  
17 TONE I SET IS THAT WE BRING AS MUCH INTELLECTUAL  
18 FIRE POWER TO A PROBLEM, THAT PEOPLE ACT  
19 RESPECTFULLY TOWARDS EACH OTHER, THAT  
20 DISAGREEMENTS ARE FULLY AIRED, AND THAT WE MAKE  
21 DECISIONS BASED ON FACTS AND EVIDENCE AS OPPOSED  
22 TO IDEOLOGY, THAT PEOPLE WILL ADAPT TO THAT

0033

1 CULTURE AND WILL BE ABLE TO MOVE FORWARD  
2 EFFECTIVELY AS A TEAM.

3 AND I HAVE A PRETTY GOOD TRACK RECORD  
4 OF DOING THAT. AND SO FAR MY CONFIDENCE IN THEM  
5 HAS PROVEN JUSTIFIED.

6 REPORTER: I MEAN -- I'M SORRY. WE  
7 HAD A COUPLE QUESTIONS ON WAR ON TERROR, MAYBE.

8 REPORTER: WELL, I ACTUALLY WANTED TO  
9 ASK ABOUT ISRAELITES AND PALESTINIANS. YOU SAID  
10 YOU ARE GOING TO GET STARTED ON THAT PROBLEM  
11 RIGHT AWAY. AND I JUST THOUGHT, LOOKING BEYOND  
12 THE IMMEDIATE PROBLEM OF GAZA, WHAT YOUR  
13 THINKING IS ABOUT WHAT IS THE BEST WAY FOR THE  
14 UNITED STATES TO PLAY A ROLE BETWEEN ISRAELIS  
15 AND PALESTINIANS.

16 SOME PEOPLE TALK ABOUT THE NEED FOR  
17 THE UNITED STATES TO STEP FORWARD AND PUT  
18 FORWARD A PLAN TO A FINAL SOLUTION; OTHER PEOPLE  
19 SAY THE BEST THING IS TO STEP BACK AND LET THEM  
20 DO IT AS IN OSLO. WHERE DO YOU SEE YOUR  
21 ADMINISTRATION FALLING ALONG THAT CONTINUUM?  
22 HOW DOES A SPECIAL ENVOY FIT INTO THAT? AND

0034

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1 WHAT WOULD BE THE GOAL FOR, SAY, THE FIRST YEAR  
2 IN TERMS OF PROGRESS BETWEEN ISRAELIS AND  
3 PALESTINIANS SPECIFICALLY?

4 PRESIDENT-ELECT OBAMA: I WILL ONLY  
5 SAVE THIS FOR FIVE MORE DAYS. WE ONLY HAVE ONE  
6 PRESIDENT AT A TIME. NOW, I MAY SAY IT ON THE  
7 SIXTH DAY, EXCEPT I WILL BE THE PRESIDENT.

8 SO I UNDERSTAND THE FRUSTRATION,  
9 PARTICULARLY BECAUSE I HAVE LEANED FORWARD  
10 HEAVILY ON THE ECONOMIC SIDE. THE DIFFERENCE IS  
11 THAT ON THE ECONOMY, IF GOVERNORS, YOU KNOW, IF  
12 GOVERNOR STRICKLAND IN OHIO IS TAKING DIFFERENT  
13 SIGNALS FROM ME OR GEORGE BUSH, YOU KNOW, THAT  
14 DOESN'T POTENTIALLY RISK OUR NATIONAL SECURITY.

15 SO WE JUST CAN'T HAVE TWO PARALLEL  
16 ADMINISTRATIONS TALKING ABOUT THIS. I CAN  
17 REPEAT WHAT I HAVE SAID DURING THE CAMPAIGN,  
18 BECAUSE I THINK THAT'S, YOU KNOW, THAT RECORD IS  
19 ALREADY THERE. I BELIEVE -- WELL, A COUPLE OF  
20 THINGS.

21 NUMBER 1, I THINK ENGAGEMENT EARLY AS  
22 OPPOSED TO LATE IS IMPORTANT. I KNOW SOME

0035

1 PEOPLE HAVE SAID: WELL, YOU HAVE GOT THIS BIG  
2 ECONOMIC CRISIS ON YOUR HANDS, AND SO PRESIDENT  
3 OBAMA IS GOING TO JUST PUT OFF ISSUES LIKE THIS  
4 UNTIL HIS SECOND TERM OR LATER IN HIS FIRST  
5 TERM. I DON'T THINK WE HAVE THAT LUXURY.

6 THAT DOESN'T MEAN THAT WE CLOSE A DEAL  
7 OR WE HAVE SOME BIG, GRAND, YOU KNOW, CAMP  
8 DAVID-TYPE EVENT EARLY IN MY ADMINISTRATION. IT  
9 DOES MEAN THAT WE HAVE A TEAM IN PLACE THAT IS  
10 HITTING THE GROUND AND STARTING TO ENGAGE  
11 CONSTRUCTIVELY WITH THE VARIOUS STAKEHOLDERS.

12 SO THAT WOULD BE POINT NUMBER 1. AND  
13 WE WILL UNVEIL THAT TEAM FAIRLY EARLY IN THE  
14 ADMINISTRATION. AND THAT WILL ANSWER, I THINK,  
15 YOUR QUESTIONS ABOUT SPECIAL ENVOY VERSUS

16 STRUCTURES.

17 IN TERMS OF GENERAL PHILOSOPHY, I  
18 THINK THE NOTION IS NOT THAT THE UNITED STATES  
19 CAN DICTATE THE TERMS OF AN AGREEMENT, BUT THAT  
20 GIVEN RIGHT NOW THE RELATIVELY WEAK POLITICAL  
21 STRENGTHS OF THE PARTIES, IN THE ABSENCE OF U. S.  
22 ENGAGEMENT, I THINK WE MAKE NO PROGRESS.

0036

1 SO WHAT WE CAN DO IS TO PROVIDE A  
2 SPACE WITHIN WHICH SOME TRUST CAN BE BUILT. AND  
3 THAT WILL BE, I THINK, AN EARLY GOAL.

4 AND THE LAST POINT I GUESS I'D MAKE,  
5 AGAIN, BECAUSE I HAVE MADE THIS IN THE PAST, I  
6 THINK MOST PEOPLE HAVE A PRETTY GOOD SENSE ABOUT  
7 WHAT THE OUTLINES OF A COMPROMISE WOULD BE. THE  
8 PROBLEM IS THAT IT IS POLITICALLY REALLY HARD.

9 AND SO TONY BLAIR DELIVERED A SPEECH,  
10 WHICH I THOUGHT WAS INTERESTING BECAUSE HE  
11 TALKED ABOUT THE NEED TO BUILD SOME CONCRETE  
12 DELIVERABLES THAT PEOPLE CAN SEE FROM THE  
13 ISRAELI PERSPECTIVE ON THE SECURITY SIDE, FROM  
14 THE PALESTINIANS ON THE ECONOMIC SIDE, OR  
15 FREEDOM OF MOVEMENT SIDE, TO HELP BUILD THE  
16 POLITICAL STRENGTH, TO ACTUALLY GET MOVEMENT.

17 NOW, GAZA IS A SITUATION WITH, YOU  
18 KNOW -- HAS MADE THINGS, YOU KNOW, EMOTIONALLY  
19 MORE DIFFICULT FOR FOLKS. SO WE'RE GOING TO  
20 HAVE A LOT OF WORK TO DO, BUT WE INTEND TO DO  
21 IT.

22 LAST POINT, I GUESS, I WOULD MAKE ON

0037

1 THIS BECAUSE I HAVE SAID THIS BEFORE, I THINK --  
2 AND HILLARY SAID IT IN HER CONFIRMATIONS. WE'RE  
3 GOING TO NEED TO HAVE -- WE HAVE TO END AN  
4 APPROACH THAT SEES ALL THE VARIOUS PROBLEMS IN  
5 THE MIDDLE EAST AS DISCRETE, YOU KNOW, SO THAT  
6 WE HAVE GOT AN AFGHANISTAN POLICY AND WE HAVE  
7 GOT A PAKISTAN POLICY AND THE PAKISTAN AND

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8 AFGHANISTAN POLICIES AREN' T INTEGRATED OR WE  
9 HAVE GOT AN IRAN POLICY AND AN IRAQ POLICY AND A  
10 SYRIA POLICY AND THEY ARE ALL OFF IN DIFFERENT  
11 DIRECTIONS.

12 I THINK ONE OF THE PRINCIPLES THAT  
13 WE' LL BE OPERATING UNDER IS THAT THESE THINGS  
14 ARE VERY MUCH RELATED AND THAT IF WE HAVE GOT AN  
15 INTEGRATED APPROACH, WE' RE GOING TO BE MORE  
16 EFFECTIVE.

17 REPORTER: YOU' LL BE WELCOME TO COME  
18 BACK WEDNESDAY AND FILL IN THE GAPS.

19 PRESIDENT-ELECT OBAMA: I' M SURE I  
20 WOULD BE.

0039

1 MY PERSONAL QUALITIES. THAT'S JUST THE  
2 HISTORICAL SIGNIFICANCE, WHICH OUR CHILDREN 10,  
3 15 YEARS AGO WILL ACTUALLY TAKE FOR GRANTED.

4 IN TERMS OF MY, WHAT I CAN DO  
5 PROACTIVELY, I MEAN, SOME OF THIS IS -- I DON'T  
6 THINK IT IS JUST MY PRESENCE. I THINK WHAT I  
7 HOPE TO MODEL IS A WAY OF INTERACTING WITH  
8 PEOPLE WHO AREN'T LIKE YOU AND DON'T AGREE WITH  
9 YOU THAT CHANGES THE TEMPER OF OUR POLITICS.

10 AND PART OF THAT WILL BE CHANGES, HOW  
11 WE THINK ABOUT MOVING FORWARD ON RACE RELATIONS.  
12 RACE RELATIONS BECOMES A SUBSET OF A LARGER  
13 PROBLEM IN OUR SOCIETY, WHICH IS WE HAVE A  
14 DIVERSE, COMPLICATED SOCIETY WHERE PEOPLE HAVE A  
15 LOT OF DIFFERENT VIEWPOINTS. AND WHAT WE HAVE  
16 LIVED THROUGH OVER THE LAST, LET'S SAY DECADE,  
17 BUT MIGHT PREDATE THAT, IS THIS NOTION THAT WE  
18 DON'T HAVE TO LISTEN TO EACH OTHER, WE JUST TRY  
19 TO YELL AT EACH OTHER AND BEAT THEM INTO  
20 SUBMISSION, BEAT THE OTHER SIDE INTO SUBMISSION.

21 AND WHAT I'M TRYING TO DO IS SAY, NO,  
22 LET'S SEE IF WE CAN APPLY EMPATHY AND RECOGNIZE

0040

1 THAT AMERICA PROBABLY HAS A NARROWER SPECTRUM OF  
2 DIFFERENCES THAN ANY OTHER ADVANCED COUNTRY WHEN  
3 IT COMES TO IDEOLOGICAL PERSPECTIVES.

4 AND, YOU KNOW, LET'S FOCUS ON WHAT WE  
5 HAVE IN COMMON, AS WELL AS WHAT SEPARATES US.  
6 NOW, WHEN IT COMES SPECIFICALLY TO RACE  
7 RELATIONS, THERE ARE SOME THINGS THAT I THINK  
8 NEED TO BE FOCUSED ON; REINVIGORATING OUR CIVIL  
9 RIGHTS DIVISION OF THE JUSTICE DEPARTMENT,  
10 LETTING PEOPLE KNOW THAT IF YOU BREAK THE LAW,  
11 YOU KNOW, THAT SOMEBODY IS TAKING IT SERIOUSLY.  
12 IN THE SAME WAY THAT, YOU KNOW, THE HOUSE  
13 PASSAGE OF THE LILLY LEDETTER LEGISLATION SENDS  
14 A CLEAR SIGNAL THAT YOU CAN'T JUST PAY A WOMAN

12                   REPORTER:   SIR, YOU HAVE A TOUGH CALL  
13 COMING UP ON THE AUTO INDUSTRY.

14                   PRESIDENT-ELECT OBAMA:   YES.

15                   REPORTER:   AND I WOULD LIKE TO ASK YOU  
16 A LITTLE BIT ABOUT HOW THAT'S DEVELOPING.   IN  
17 PARTICULAR, SOME MEMBERS OF THE PARTY, AS YOU  
18 KNOW, FEEL THAT IT IS UNFAIR TO REQUIRE AS PART  
19 OF THIS TARP LOAN THAT UAW EQUALIZE ITS WAGES  
20 WITH THE NONUNION PLANTS IN THE SOUTH.

21                   I WOULD LIKE TO ASK YOUR VIEW ON THAT  
22 PARTICULAR POINT; MORE BROADLY, HOW FAR YOU

0042

1 THINK WE'RE GOING TO HAVE TO GO AND HOW MUCH  
2 MONEY WE'RE GOING TO HAVE TO SPEND TO RESCUE  
3 THIS INDUSTRY OR WHETHER YOU HAVE IN YOUR OWN  
4 MIND SOME SENSE OF AN END POINT WHERE IT IS SORT  
5 OF BEYOND SALVATION.

6                   PRESIDENT-ELECT OBAMA:   YOU KNOW, I'M

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7 NOT YET ENOUGH OF AN EXPERT ON THE AUTO INDUSTRY  
8 TO GIVE YOU A DETAILED ANSWER. WE HAVE --  
9 LARRY SUMMERS HAS PUT TOGETHER A WORKING GROUP  
10 TO FOCUS ON AUTOS IN ANTICIPATION THAT THEY ARE  
11 GOING TO BE COMING BACK EITHER WITH A PLAN FOR  
12 SUSTAINABILITY OR NOT, BUT EITHER WAY WE'RE  
13 GOING TO HAVE TO MAKE SOME DECISIONS.

14 SO I'M AWAITING THAT REPORT BACK FROM  
15 THEM. WHAT I CAN SAY IN TERMS OF MY GENERAL  
16 VIEWS -- AND THIS PREDATES THE CURRENT CRISIS --  
17 IS THAT WE HAVE TO BUILD A SUSTAINABLE BUSINESS  
18 MODEL FOR THESE GUYS OR THEY HAVE TO BUILD IT.

19 AND I DON'T THINK AN ACCEPTABLE  
20 OUTCOME IS FOR US JUST TO KEEP THEM ON THEIR  
21 LIFELINE THROUGH TAXPAYER DOLLARS IN PERPETUITY.  
22 SO THERE IS GOING TO HAVE TO BE A RESTRUCTURING.

0043

1 AND THAT RESTRUCTURING IS GOING TO INVOLVE  
2 EVERYBODY FROM LABOR TO MANAGEMENT TO CREDITORS  
3 TO SHAREHOLDERS, GIVING SOMETHING UP.

4 BUT THE FIRST TASK IS TO SAY GIVEN THE  
5 MARKET AS IT HAS DEVELOPED, WHAT IS A PLAUSIBLE  
6 BUSINESS MODEL WITHIN THAT MARKETPLACE. YOU  
7 KNOW, IF YOUR BUSINESS MODEL IS PREMISED ON 20  
8 MILLION CARS BEING SOLD AND, IN FACT, 10 MILLION  
9 OR 8 MILLION ARE BEING SOLD, YOU HAVE GOT  
10 PROBLEMS.

11 AND YOU DON'T GET A SENSE THAT THEY  
12 HAVE ANTICIPATED OR THOUGHT THROUGH HOW TO BUILD  
13 A VIABLE BUSINESS MODEL. AND THAT, AS I SAID,  
14 THAT PREDATES THE CURRENT CRISIS. THE ONLY  
15 REASON THAT WAS NOT MADE MORE APPARENT WAS  
16 BECAUSE GAS WAS CHEAP ENOUGH AND CREDIT WAS  
17 LOOSE ENOUGH THAT SUV SALES COULD SORT OF PAPER  
18 OVER A WHOLE BUNCH OF PROBLEMS.

19 AND ALTHOUGH I AM CONCERNED TO SEE SUV  
20 SALES EXCEEDED CAR SALES ONCE AGAIN IN DECEMBER,  
21 PEOPLE'S MEMORIES ARE A LITTLE SHORT, I DO THINK

22 THAT, YOU KNOW, IF THAT'S THEIR THINKING, THAT  
0044

1 WE WILL BE ABLE TO DIG OUR WAY OUT OF THIS  
2 PROBLEM BECAUSE GAS IS GOING TO STAY AT, YOU  
3 KNOW, 2 BUCKS A GALLON, THEN THAT IS A -- THAT  
4 WOULD BE A PREMISE THAT I WOULD FUNDAMENTALLY  
5 QUESTION.

6 I THINK THEY HAVE GOT TO, WHATEVER  
7 THEIR BUSINESS MODEL, IT HAS TO ANTICIPATE THE  
8 LONG-TERM ENERGY COST.

9 REPORTER: MR. PRESIDENT -- LET ME GO  
10 AND THEN YOU NEXT, MA'AM. WE HAVE BEEN  
11 HEARTENED BY SOME OF THE THINGS YOU SAID ABOUT  
12 WASHINGTON, D. C. I WONDER IF YOU COULD TALK A  
13 LITTLE BIT ABOUT HOW AND WHEN YOU MIGHT ACT ON  
14 BEHALF OF VOTING RIGHTS AND, MORE GENERALLY,  
15 ANYTHING MORE ABOUT HOW YOU PLAN TO INTEGRATE  
16 WITH THE COMMUNITY.

17 PRESIDENT-ELECT OBAMA: WELL, BEYOND  
18 GOING TO BEN'S CHILI BOWL.

19 REPORTER: YES, THAT WAS IMPORTANT.

20 PRESIDENT-ELECT OBAMA: THAT WAS  
21 IMPORTANT. ONE OF THE THINGS MICHELLE AND I  
22 HAVE TALKED A LOT ABOUT IS HOW CAN WE HAVE

0045

1 USEFUL INTERACTIONS WITH THE SCHOOLS HERE. AND  
2 THIS GOES TO THE EARLIER POINT WE WERE MAKING  
3 ABOUT USING MICHELLE AND I AS LEVERAGE TO GET  
4 KIDS AND PARENTS AND TEACHERS EXCITED ABOUT THE  
5 POSSIBILITIES OF AN EDUCATION.

6 AND SO I THINK TRYING TO THINK ABOUT  
7 REGULAR VISITS TO LOCAL SCHOOLS TO MEET WITH  
8 KIDS AND MEET WITH TEACHERS AND PRINCIPALS, I  
9 HAVE SPOKEN IN THE PAST WITH MAYOR FENTY ABOUT  
10 ARE THERE WAYS THAT WE CAN -- THAT MY OFFICE CAN  
11 BE ENGAGED IN HOMELESS ISSUES, WHICH, YOU KNOW,  
12 OBVIOUSLY HAS BEEN A FREQUENT PROBLEM HERE IN  
13 THIS CITY.

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14 MICHELLE AND I WILL -- WE USUALLY HAVE  
15 DATE NIGHT ON FRIDAY. WE'RE TRYING TO GET TO  
16 SOME RESTAURANTS ONCE IN A WHILE, AND, YOU KNOW,  
17 TO INVITE PEOPLE INTO THE WHITE HOUSE IN WAYS  
18 THAT HAVEN'T BEEN DONE BEFORE. I MEAN, I THINK  
19 THOSE ARE ALL AREAS THAT BOTH OF US ARE VERY  
20 INTERESTED IN PROCEEDING ON.

21 REPORTER: HAVE YOU MET OUR NEW  
22 CHANCELLOR OF SCHOOLS?

0046

1 PRESIDENT-ELECT OBAMA: I HAVE  
2 BRIEFLY. I HAVEN'T HAD A LONG CONVERSATION WITH  
3 HER. AND I AM SURE ARNIE DUNCAN, WHO HAS MET  
4 HER AND KNOWS HER QUITE WELL, I THINK HAS GIVEN  
5 HER ADVICE IN THE PAST, I THINK YOU KNOW HE WILL  
6 CERTAINLY BE INTERESTED IN HOW THE SCHOOL  
7 EXPERIMENT HERE GOES.

8 REPORTER: AND ON THE VOTING RIGHTS  
9 ISSUE?

10 PRESIDENT-ELECT OBAMA: ON THE VOTING  
11 RIGHTS ISSUE, I'M A STRONG PROPONENT OF IT. AS  
12 YOU KNOW, THIS IS JUST A PURE POLITICAL ISSUE  
13 AND YOU KNOW CAN YOU GET IT DONE.

14 YOU HAVE GOT A PRESIDENT WHO IS  
15 SUPPORTIVE OF IT. AND I THINK YOU HAVE GOT A  
16 MAJORITY IN BOTH HOUSE AND SENATE WHO WOULD BE  
17 SUPPORTIVE OF IT, BUT THIS TAKES ON A PARTISAN  
18 FLAVOR. AND, YOU KNOW, RIGHT NOW I THINK OUR  
19 LEGISLATIVE AGENDA IS CHOCKFUL. I WOULD LIKE TO  
20 EXPLORE HOW QUICKLY WE CAN GET IT DONE.

6 REPORTER: CAN I ASK YOU ABOUT  
7 INAUGURATION?  
8 PRESIDENT-ELECT OBAMA: YES.  
9 REPORTER: WHAT IS THE --  
10 PRESIDENT-ELECT OBAMA: 30 DEGREES,  
11 CLOUDY.  
12 REPORTER: I WOULD LIKE IT TO BE 55 OR

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13 SO.

14 PRESIDENT-ELECT OBAMA: I WISH. IT  
15 COULD BE IN CHICAGO THOUGH.

16 REPORTER: MY MOTHER-IN-LAW LIVES  
17 THERE AND SAYS IT IS NEGATIVE 7.

18 PRESIDENT-ELECT OBAMA: IT IS  
19 UNBELIEVABLE, UNBELIEVABLE.

20 REPORTER: WHAT IS THE CENTRAL MESSAGE  
21 YOU WANT AFRICAN-AMERICANS TO TAKE FROM  
22 INAUGURATION DAY?

0051

1 PRESIDENT-ELECT OBAMA: I AM NOT GOING  
2 TO SPILL THE BEANS. NO, NO, NO. LOOK, LOOK, I  
3 THINK YOU HAVE TO OPEN YOUR CHRISTMAS PRESENTS  
4 ON CHRISTMAS. YOU CAN'T SHAKE THE BOX. SO  
5 WE'RE NOT GOING TO GIVE YOU A PREVIEW OF THE  
6 INAUGURATION SPEECH. YOU'RE NOT GETTING THAT.

7 REPORTER: CAN I ASK YOU ONE FOLLOW-UP  
8 QUESTION?

9 PRESIDENT-ELECT OBAMA: YES, YOU CAN.

10 REPORTER: DO YOU VIEW IT AS GENERALLY  
11 A CONTINUATION OF THE WHOLE CHANGE MOTIF THAT  
12 YOU TALKED -- I AM NOT GOING TO SAY RELENTLESSLY  
13 ABOUT.

14 PRESIDENT-ELECT OBAMA: WELL, I THINK  
15 IT WOULD BE UNUSUAL IF MY SPEECH WAS SUDDENLY  
16 ABOUT BITTERNESS AND CYNICISM.

17 (LAUGHTER)

18 PRESIDENT-ELECT OBAMA: IT HAPPENED  
19 QUICK, DIDN'T IT?

20 UNIDENTIFIED PERSON: VERY QUICK.

21 (LAUGHTER).

22 PRESIDENT-ELECT OBAMA: I HAVE BEEN ON

0052

1 THE PHONE WITH CONGRESS LATELY. THAT WAS OFF  
2 THE RECORD.

3 REPORTER: CAN I HAVE A FOLLOW-UP ON  
4 THE INAUGURATION?

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5 UNIDENTIFIED PERSON: WE ONLY HAVE A  
6 COUPLE MORE MINUTES.

7 REPORTER: QUICKLY, HAVE YOU BEEN  
8 INVOLVED IN THE DETAILS OF HOW IT SHOULD UNFOLD?  
9 AND, YOU KNOW, THERE HAS BEEN ALL OF THIS, YOU  
10 KNOW, RECORD NUMBER OF CROWDS, MILLIONS COMING  
11 HERE AND THE LOGISTICAL CHALLENGES, THAT VARIOUS  
12 AGENCIES HAVE SAID THIS IS THE GREATEST  
13 CHALLENGE, INCLUDING CENTRAL SECURITY THREATS,  
14 THAT THEY HAVE EVER HAD IN THE SWEARING IN.

15 PRESIDENT-ELECT OBAMA: I HAVE BEEN  
16 BRIEFED ON THE BROAD OUTLINES. THERE HAVE BEEN  
17 SOME KEY DECISIONS THAT HAD TO BE MADE. FOR  
18 EXAMPLE, I WAS BRIEFED AHEAD OF TIME IN TERMS OF  
19 THE REQUESTS THAT WE RE-SITED THE PARADE STAGING  
20 AREA SO THAT WE COULD OPEN UP THE MALL FURTHER.

21 I WAS VERY INTERESTED IN MAKING SURE  
22 THAT WE HAD THAT DAY OF SERVICE ON DR. KING'S  
0053

1 BIRTHDAY, AND I MADE SURE THAT THE PERSON WHO IS  
2 SINGING AT THE FIRST DANCE BETWEEN ME AND  
3 MICHELLE, THAT I HAD SOME SAY ABOUT THAT. I  
4 WON'T PREVIEW THAT EITHER. BUT IT WILL BE GOOD.  
5 SO I HAVE HAD INVOLVEMENT IN IT.

6 LOOK, THE LOGISTICS OF IT ARE  
7 REMARKABLE, BUT THE CONGRESSIONAL COMMITTEE THAT  
8 IS CHARGED WITH THIS TASK, OUR INAUGURAL  
9 COMMITTEE, WHICH TOOK OUR BEST ADVANCE PEOPLE,  
10 YOU KNOW, THE SAME PEOPLE WHO STAGED HUGE EVENTS  
11 FOR US DURING THE CAMPAIGN, SECRET SERVICE, THE  
12 MILITARY SIDE OF THE INAUGURATION, THEY APPEAR  
13 TO HAVE WORKED WITH THE CITY AND VIRGINIA AND  
14 MARYLAND OFFICIALS WITH EXTRAORDINARY  
15 COORDINATION AND EFFECTIVENESS.

16 SO WE FEEL CONFIDENT THAT IT WILL BE A  
17 WONDERFUL EVENT, BUT WHEN YOU HAVE THAT MANY  
18 PEOPLE INVOLVED, WHAT I HAVE BEEN TRYING TO DO  
19 IS, WHAT I HAVE TOLD MY TEAM TO DO, AND WE DID A

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20 PSA ON THIS, IS JUST TO SEND OUT THE MESSAGE  
21 THAT, YOU KNOW, IF YOU THINK YOU'RE GOING TO BE  
22 ABLE TO JUST DRIVE UP TO THE MALL AND PARK, YOU  
0054

1 KNOW, GET OUT WITH YOUR PICNIC BASKET, THAT  
2 THAT'S NOT HOW IT IS GOING TO WORK.

3 WE WANT TO MAKE SURE THAT PEOPLE  
4 ANTICIPATE THE MOVING AROUND LOGISTICALLY IS  
5 GOING TO BE VERY DIFFICULT.

6 REPORTER: TWO OTHER POLICY --  
7 PRESIDENT-ELECT OBAMA: YOU HAD ONE  
8 REAL QUICK.

9 REPORTER: I WANTED TO ASK YOU IF YOU  
10 HAD TO PICK ONE THING, HOW WOULD YOU MEASURE  
11 YOUR SUCCESS AT THE END OF THE FIRST TERM?

12 PRESIDENT-ELECT OBAMA: HAVE WE  
13 CREATED JOBS THAT GET THE ECONOMY BACK ON TRACK,  
14 BUSINESSES INVESTING AGAIN, PEOPLE FEEL SOME  
15 CONFIDENCE, THAT WE'RE ON THE MOVE. THAT IS MY  
16 NUMBER 1 PRIORITY; ALONGSIDE KEEPING THE  
17 AMERICAN PEOPLE SAFE AND MAKING SURE THAT WE'RE  
18 PROTECTING THE HOMELAND. THOSE ARE THE TWO  
19 THINGS THAT I AM FOCUSED ON SINGULARLY RIGHT  
20 NOW.

21 REPORTER: IF YOU HAVEN'T CLOSED  
22 GUANTANAMO BY THE END OF THE FIRST TERM, IS THAT  
0055

1 A FAILURE?

2 PRESIDENT-ELECT OBAMA: YES.

3 REPORTER: BUT IN DOING THAT, ARE YOU  
4 CONFIDENT THAT IN HANDLING THE DETAINEES THAT  
5 YOU HAVE AND THAT YOU MAY CAPTURE, THE EXISTING  
6 FEDERAL AND MILITARY TRIAL SYSTEMS ARE  
7 SUFFICIENT OR DO YOU THINK YOU MAY NEED  
8 ADDITIONAL TOOLS OR STRUCTURES?

9 PRESIDENT-ELECT OBAMA: WELL, WE WILL  
10 MAKE STATEMENTS ON THIS FAIRLY EARLY ON. I HAVE  
11 HAD MY NATIONAL SECURITY TEAM WORKING WITH MY

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12 LEGAL TEAM TO DEVELOP OPTIONS.

13 I HAVE DESCRIBED AND I THINK EVERYBODY  
14 HERE UNDERSTANDS THE CHALLENGE. I WILL CLOSE  
15 GUANTANAMO, AND THAT'S A BOTTOM LINE.

16 THE TRICK IS WHAT DO WE DO WITH  
17 DANGEROUS INDIVIDUALS WHO ARE DETAINED, WHOSE  
18 EVIDENCE IS FOULED UP BECAUSE OF SOME OF THE  
19 POOR PROCEDURES THAT WERE DONE FROM MY  
20 PERSPECTIVE OVER THE LAST EIGHT, SEVEN YEARS?

21 AND THERE ARE NO QUICK, EASY SOLUTIONS  
22 TO THAT. I THINK THAT SETTING UP A PROCESS

0056

1 GOING FORWARD IS ONE THAT I HAVE CONFIDENCE WE  
2 CAN ACCOMPLISH.

3 HOW TO DEAL WITH THAT SUBSET OF  
4 GUANTANAMO DETAINEES IN A WAY THAT'S CONSISTENT  
5 WITH OUR LEGAL TRADITIONS, WE'RE GOING TO HAVE  
6 TO PIECE IT TOGETHER. AND THAT'S WHY I HAVE  
7 SAID, YOU KNOW, THIS IS NOT SOMETHING THAT IS  
8 EASY. IT IS SOMETHING THAT WE WANT TO MAKE SURE  
9 THAT WE DO CAREFULLY AND PROPERLY. SO I DON'T  
10 WANT TO, YOU KNOW, UNTIL I GET THOSE SPECIFIC  
11 RECOMMENDATIONS AND HAVE THOROUGHLY VETTED THEM,  
12 I DON'T WANT TO LAY OUT THE REAL SPECIFICS ON  
13 IT.

14 REPORTER: WHEN YOU SAY THE PROCESS  
15 GOING FORWARD, YOU'RE CONFIDENT, DOES THAT MEAN  
16 UNDER EXISTING LAW THAT YOU'RE CONFIDENT  
17 DETAINEES OR THAT --

18 PRESIDENT-ELECT OBAMA: I AM --

19 REPORTER: IS THERE A NATIONAL  
20 SECURITY REPORT?

21 PRESIDENT-ELECT OBAMA: I AM CONFIDENT  
22 THAT WE CAN SET UP A STRUCTURE. I HAVEN'T

0057

1 PREJUDGED WHETHER IT IS THROUGH A TRADITIONAL  
2 FEDERAL COURT SYSTEM, IS IT THROUGH THE MILITARY  
3 COURTS MARTIAL, IS IT THROUGH SOME VARIANT? I

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4 AM CONFIDENT THAT CORE PRINCIPLES OF DUE  
5 PROCESS, HABEAS CORPUS AND SO FORTH CAN BE PUT  
6 IN PLACE THAT ENSURES WE'RE PROSECUTING BAD GUYS  
7 MUCH MORE RAPIDLY THAN WE HAVE UP UNTIL NOW,  
8 THAT WE ARE TRUE TO THE GENEVA CONVENTIONS, AND  
9 INTERNATIONAL NORMS, THAT WE ARE TRUE TO OUR  
10 CONSTITUTION, AND THAT KEEP THE AMERICAN PEOPLE  
11 SAFE. I'M CONFIDENT WE CAN DO THAT MOVING  
12 FORWARD.

13 AS I SAID, WE HAVE GOT SOME -- THIS  
14 HANGOVER FROM WHAT WE HAVE DONE OVER THE LAST  
15 EIGHT YEARS THAT IS TRICKY TO DEAL WITH. IS  
16 THAT IT?

17 REPORTER: DO WE HAVE TIME FOR A CARD  
18 CHECK QUESTION?

19 PRESIDENT-ELECT OBAMA: I GUESS NOT.

20 REPORTER: TIMING QUESTION AND  
21 SUBSTANCE QUESTION IN TERMS OF TIMING, HOW  
22 QUICKLY WOULD YOU LIKE TO SEE IT BROUGHT UP?

0058

1 WHAT WOULD YOU LIKE TO SEE BROUGHT UP IN YOUR  
2 FIRST YEAR?

3 IN TERMS OF SUBSTANCE, THE ILLS THAT  
4 YOU TALKED ABOUT IN YOUR FLOOR STATEMENT ON THE  
5 EMPLOYEE FREE CHOICE ACT, PROBLEMS WITH BULLYING  
6 OF THE PEOPLE WHO MIGHT WANT TO JOIN UNIONS, IS  
7 CARD CHECK THE ONLY SOLUTION OR ARE YOU OPEN TO  
8 CONSIDERING OTHER SOLUTIONS THAT MIGHT SHORTEN  
9 THE TIME?

10 PRESIDENT-ELECT OBAMA: I THINK THAT  
11 IS A FAIR QUESTION AND A GOOD ONE. HERE IS MY  
12 BASIC PRINCIPLE, THAT WAGES AND INCOMES HAVE  
13 FLATLINED OVER THE LAST DECADE, THAT PART OF  
14 THAT HAS TO DO WITH FORCES THAT ARE BEYOND  
15 EVERYBODY'S CONTROL, GLOBALIZATION, TECHNOLOGY  
16 AND SO FORTH.

17 PART OF IT HAS TO DO WITH THE FACT  
18 THAT WORKERS HAVE VERY LITTLE LEVERAGE AND THAT

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19 LARGER AND LARGER SHARES OF OUR PRODUCTIVITY GO  
20 TO THE TOP AND NOT TO THE MIDDLE OR THE BOTTOM.  
21 I THINK UNIONS SERVE AN IMPORTANT ROLE  
22 IN THAT. AND I THINK THAT THE WAY THE BUSH

0059

1 ADMINISTRATION MANAGED THE DEPARTMENT OF LABOR,  
2 THE NLRB AND A HOST OF OTHER ASPECTS OF LABOR  
3 MANAGEMENT RELATIONS PUT THE THUMB TOO HEAVILY  
4 AGAINST UNIONS.

5 I WANT TO LIFT THAT THUMB. THERE ARE  
6 GOING TO BE STEPS THAT WE CAN TAKE OTHER THAN  
7 THE EMPLOYEE FREE CHOICE ACT THAT WILL MAKE A  
8 DIFFERENCE THERE.

9 I THINK THE BASIC PRINCIPLE OF MAKING  
10 IT EASIER AND FAIRER FOR WORKERS WHO WANT TO  
11 JOIN A UNION, JOIN A UNION, IS IMPORTANT, AND  
12 THE BASIC OUTLINES OF THE EMPLOYEE FREE CHOICE  
13 ACT ARE ONES THAT I AGREE WITH, BUT I WILL  
14 CERTAINLY LISTEN TO ALL PARTIES INVOLVED,  
15 INCLUDING FROM LABOR AND FROM THE BUSINESS  
16 COMMUNITY, WHICH I KNOW CONSIDERS THIS THE DEVIL  
17 INCARNATE. I WILL LISTEN TO ALL PARTIES  
18 INVOLVED AND SEE IF THERE ARE WAYS THAT WE CAN  
19 BRING THOSE PARTIES TOGETHER AND RESTORE SOME  
20 BALANCE.

21 YOU KNOW, IF THE BUSINESS COMMUNITY'S  
22 ARGUMENT AGAINST THE EMPLOYEE FREE CHOICE ACT IS

0060

1 SIMPLY THAT THIS WILL MAKE IT EASIER FOR PEOPLE  
2 TO JOIN UNIONS AND WE THINK THAT'S DAMAGING TO  
3 THE ECONOMY, THEN THEY PROBABLY WON'T GET TOO  
4 FAR WITH ME.

5 IF THEIR ARGUMENTS ARE WE THINK THERE  
6 ARE MORE ELEGANT WAYS OF DOING THIS OR HERE ARE  
7 SOME MODIFICATIONS OR TWEAKS TO THE GENERAL  
8 CONCEPT THAT WE WOULD LIKE TO SEE, THEN I THINK  
9 THAT'S A CONVERSATION THAT NOT ONLY MYSELF BUT I  
10 THINK FOLKS IN LABOR WOULD BE WILLING TO HAVE,

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11 BUT, SO, YOU KNOW, THAT'S THE GENERAL APPROACH  
12 THAT I'M INTERESTED IN TAKING.

13 IN TERMS OF TIMETABLE, IF WE'RE LOSING  
14 HALF A MILLION JOBS A MONTH, THEN THERE ARE NO  
15 JOBS TO UNIONIZE. SO MY FOCUS FIRST IS ON THOSE  
16 KEY ECONOMIC PRIORITY ITEMS THAT I JUST  
17 MENTIONED.

18 REPORTER: FIRST YEAR?

19 PRESIDENT-ELECT OBAMA: YOU KNOW,  
20 LET'S SEE WHAT THE LEGISLATIVE DOCKET LOOKS  
21 LIKE. I HAVEN'T PREJUDGED THIS. WE HAVEN'T  
22 REALLY GONE THROUGH. THERE ARE A WHOLE SLEW OF  
0061

1 THINGS THAT I'M VERY COMMITTED TO, THAT IF I CAN  
2 RUN ON PARALLEL TRACKS, I WILL.

3 ONE OF THE THINGS I HAVE DISCOVERED  
4 SINCE COMING TO WASHINGTON AS A MEMBER OF THE  
5 SENATE IS THAT THINGS MOVE VERY SLOWLY HERE. I  
6 THINK WHEN I WAS -- MY LAST YEAR IN THE STATE  
7 SENATE, I PASSED, ME PERSONALLY, 26 SIGNIFICANT  
8 PIECES OF LEGISLATION THAT YEAR. AND THERE IS A  
9 FOUR-MONTH SESSION.

10 I MEAN, THIS INCLUDED, YOU KNOW,  
11 RACIAL PROFILING LEGISLATION, REFORMING THE  
12 DEATH PENALTY, OPEN MEETINGS ACT, 26 OF THEM.  
13 YOU KNOW, IF YOU GET FIVE MAJOR PIECES OF  
14 LEGISLATION OUT OF CONGRESS, YOU'RE DOING PRETTY  
15 GOOD OVER THE LAST SEVERAL YEARS. I THINK BOTH  
16 HARRY REED AND NANCY PELOSI ARE DEEPLY COMMITTED  
17 TO ACCELERATING THAT BUT EVEN IN TERMS OF THE  
18 STIMULUS ACT, SOME PEOPLE WERE SAYING OH, YOU  
19 KNOW, THIS THING GOT SLOWED DOWN, HE ORIGINALLY  
20 SAID WE WOULD TRY TO DO THIS BY INAUGURATION DAY  
21 AND NOW IT MIGHT SLIP TO, YOU KNOW, PRESIDENT'S  
22 DAY. I MEAN, THAT'S A HERCULIAN EFFORT TO JUST  
0062

1 GET ALL THE STUFF SCHEDULED THAT NEEDS TO BE  
2 SCHEDULED IN ORDER TO GET ANY PIECE OF

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3 LEGISLATION, MUCH LESS A PIECE OF LEGISLATION  
4 THAT MASSIVE THAT WASN'T WORKED ON IN PREVIOUS  
5 YEARS TO SOMEBODY'S DESK TO BE SIGNED.

6 SO, YOU KNOW, THOSE ARE ALL  
7 CONSTRAINTS THAT I'M GOING TO BE OPERATING  
8 UNDER. ALL RIGHT GUYS. THANK YOU.

9 (END OF TRANSCRIPTION.)

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