

THE WHITE HOUSE

Office of the Press Secretary

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PRESS GAGGLE
BY
PRESS SECRETARY ROBERT GIBBS

Aboard Air Force One
En route Andrews Air Force Base

3:30 P.M. EST

MR. GIBBS: Yes, sir, fire away. Who's first?

Q The GDP numbers --

MR. GIBBS: I mean, obviously the President received a report today from the Council of Economic Advisors. Look, I think it underscores the number that we saw previously showed just how much trouble the economy is [in]. When you revise the numbers as greatly as they did I think it underscores the urgency with which the President feels we have to move to improve our economy. I think it underscores the urgency with which the administration acted correctly in moving quickly to pass a Recovery and Reinvestment Plan that could start getting this economy back on track.

It's obviously a very troubling statistic and one of the worst quarters of economic growth we've seen in half a century.

Q Is it worse than the White House thought it was going to be?

MR. GIBBS: Well, I don't know when -- I'd have to ask CEA what they expected the revised number to be. I think the number denotes that economic -- the economy continued to deteriorate throughout the quarter, and that acceleration got even greater. And it shows you that businesses left stuff in warehouses and none of it moved out of the stores.

So I think it demonstrates the problems that we face and underscores the necessity to act quickly to get something done.

Q Can you talk a little bit more about the President's phone call to former President Bush -- how it went, why he did it, if Bush said anything?

MR. GIBBS: From what I -- I mean, obviously I could only hear one side of the conversation. The President, before the speech in the gym, placed a call through the White House to former President Bush as a courtesy to let him know how -- what he would announce as far as the plan moving forward in Iraq. It was a fairly straightforward call.

Q How long did it last?

MR. GIBBS: Several -- somewhere between several and five minutes. I don't know -- I forget exactly, and I apologize for not writing the times down. They talked a bit about that, and in the end President Obama asked President Bush how he was enjoying his new endeavor and whether they'd moved into the new house. So they talked a couple of minutes about that.

Q Did you get a sense if -- hearing Obama's side of the conversation, that President Bush agreed with Obama's decision on timetable?

MR. GIBBS: I couldn't tell from what I could hear.

Q It didn't sound contentious to you?

MR. GIBBS: Oh, no, no, no, not at all. Not at all.

Q The former NSC spokesman, Gordon Johndroe, today said that this only was possible -- this plan laid out today was only possible because of the surge, and that in fact this plan is in keeping with basically the rough outlines of what the Bush administration had thought of doing itself. How would you characterize that? And does the President believe the surge was necessary to get to this point?

MR. GIBBS: Well, I think as the President said in the campaign, that the security situation has gotten better in the -- over the past couple years in Iraq; the political situation hasn't always followed as quickly. And insofar as the Status of Forces Agreement dictated an end to our involvement in Iraq, there may be certainly some consistency with the SOFA, but I think what the President laid out was something that was -- today was consistent with what he pledged to do in the campaign, to do so in a way that was responsible, do so in a way that was in keeping with his commitment to protect our troops and to speak with commanders on the ground and at the Pentagon in order to make it happen.

Obviously we've got a long way to go in Iraq. And I think the President enumerated that a military drawdown is but one of many functions that have to continue to take place in order to have the, as I think the President said, the hard opportunity the Iraqis now have to take their country and govern and protect it effectively.

Obviously the President outlined a series of strategies, including renewed diplomatic efforts in the region in order to bring Iraq into sort of the community in the region, but also to ensure that there's continued political improvement with the election scheduled this year, and still some hard decisions that have to be made on things like an oil law.

Q Did he call any other ex-Presidents to tell them what was going on?

MR. GIBBS: I don't believe he called any ex-Presidents. I know that members of the team -- of our national security team were reaching out to many of their counterparts.

Q Why did he call Bush and not Clinton or the senior Bush? What informed this --

MR. GIBBS: Well, again, I think obviously this was something that was a pretty big issue for the most previous President, and because of that, felt it important to call and let him know.

Q I'm sorry, but I didn't hear an answer to Anne's specific question of whether President Obama thinks the surge worked. I heard him talk about improved security and I heard him thank the military. But what about the strategy?

MR. GIBBS: Well, but remember that -- go back and read the very beginning, the stories of what the surge outlined. The surge was quite clearly an effort to add more troops that would ultimately bring about a change in the political reconciliation and dynamic in the country. And while the security situation did show improvement, we still -- there still lacks some political reconciliation and certainly facets of what would ultimately be the agreements

necessary for the country to prosper in the long term.

So I think that, again, while the security situation improved, there still is some political improvement that can and must take place in order for Iraq to be stable.

Q Just to give it one more try. Does the President think that if were it not for the surge -- does the President think that the surge allowed him to make the decision he did today, made it more likely that it will end successfully?

MR. GIBBS: Again, I think the President believed that the surge -- (laughter) -- I mean --

Q Believed that the surge --

MR. GIBBS: Again, the surge helped improve the security situation, as he said, but I think, remember, again -- and again, please go back and read, the goal of the surge was to change the security situation so that a political reconciliation could be brought about.

But let me pivot a little bit by saying, and the President said this after the speech in an interview later on, which is, you know, the situation in Iraq and in the region is it's far less important for us to turn back and look backwards -- we could debate about whether we should have been there; the President was on one side and some people were on another; we could debate about how long we stayed; we could debate about the surge; we could debate about recommendations from the Baker-Hamilton commission.

But all of that is somewhat moot given the situation of where we are today and what has to happen and what the President believes should happen between now and the end of August of 2010, and ultimately the end of December in 2011.

Q So looking forward then, what levers does the President have over the Maliki government?

MR. GIBBS: Well, obviously I think there are a number of things, not the least of which is somewhat the degree of our involvement and a structure of how that takes place between now and -- the dates that I talked about in 2010 and ultimately 2011. But, again, I think the biggest thing is, is it is going to be -- and I think the President has always said this -- it is going to be up to -- it's going to be up to the Iraqis to make the difficult decisions about governing their country.

That, quite frankly, underscored what the President has always thought, that we could stay there for as little or for as long as certain hypothetical situations might derive, but stability in the country was not going to be brought about as a military solution alone. It was -- it was going to have to be brought about by the Iraqis making some very tough political decisions for themselves.

Q You say, "degree of involvement." Do you mean military?

MR. GIBBS: Well, I also believe that it's important, and the President believes maybe more important, as we are involved in reconstruction and many of the diplomatic efforts that have to take place in order to try to bring about that change.

Q Can we switch topics, just briefly, to Citibank? What is the President's view on the Treasury's action on that today? And isn't a 36 percent stake from the government pretty darn close to nationalization?

MR. GIBBS: Well, obviously the -- I think Mr. Bernanke and Secretary Geithner have been quite clear about our position on nationalization. The amount that we have invested in Citi hasn't changed. But I think if you look through some of the points that Treasury pointed out today, we're changing the way this program works in order to ensure a different result. The changes in -- sort of in cashing preferred for common stock that gives them an equity cushion has to be matched by private investors. The board at Citi has to be reconstituted to a large degree. And I think many of the steps that Treasury took in the agreement represent an important change from what has happened before; gives Citi the opportunity with more capital to have a better outcome.

Q Have what?

MR. GIBBS: Have a better outcome.

Q Can I ask one more GDP question? The stimulus -- the \$800 billion -- the roughly \$800 billion figure for the stimulus was decided upon in December. We now know that things are worse than we knew then; the 6 percent contraction can eat up \$800 billion pretty quickly. Is the team now concerned that because of this acceleration of the decline, the stimulus may not be big enough, or there will need to be another stimulus?

MR. GIBBS: Well, the team is focused extensively on and you'll see continue to work on ensuring that the implementation of and the execution of the \$787 billion recovery plan is done in a way that maximizes its ability to turn the economy around. That and that alone, in terms of the stimulus, is our focus.

Q Will we have a Health and Human Services nominee in time for the health care summit next week?

MR. GIBBS: It's entirely possible.

Q Kind of "stay tuned," or --

MR. GIBBS: I was trying to change the "stay tuned" to -- so yes -- so I think we're getting close.

Q Entirely possible? A hundred percent possible, is entirely possible?

MR. GIBBS: Come on, I don't want to foreclose all the potential follow-up questions.

Q So who's it going to be?

MR. GIBBS: Jake, they didn't call you? (Laughter.)

Q I would never pass the vetting.

Q You could just tell us.

Q Actually, it's --

MR. GIBBS: I'm trying to look up the week ahead, as we go ahead. So go ahead.

Q Will the new nominee or the designate have the same health care czar title as Secretary Daschle -- excuse me, as Senator Daschle would have had, had he been confirmed?

MR. GIBBS: Let me check on that. I don't have enough guidance on that at the

moment. Let me look up -- if you guys don't have anything else -- give me one second.

Q How do you like being in the tail of a plane? (Laughter.)

MR. GIBBS: This is quite the -- I kind of feel like I got the tiger by the tail.

Let me give you a couple of highlights from next week. Some of these you know because we've announced them.

On Tuesday, the President will meet with British Prime Minister Gordon Brown in the Oval Office. As Hans mentioned, on Thursday the President will host a health care forum at the White House, bringing together stakeholders from across the spectrum, members of Congress from both parties, doctors, providers. And it is the first of the administration's planned health care reform discussions. And then on Friday the President tentatively has a domestic travel trip. So please plan accordingly.

Q First of how many? You said first --

MR. GIBBS: I don't have a final number, but I know it's the beginning of --

Q That would be over weeks and months?

MR. GIBBS: Yes, the process will be -- will continue after Thursday's event.

Q Robert, is that Friday trip up and back, or --

MR. GIBBS: Yes. It will be a -- not too far from D.C. You all will be back in time for whatever you do on Friday night.

Q At what point is the President going to diagnose -- self-diagnose "summititis"? (Laughter.)

MR. GIBBS: I don't know whether that's involved in the Treasury Department's stress test, or if we have to go to Bethesda to do that.

All right. Thanks, guys.

END

3:46 P.M. EST