

## **Closing remarks from John Podesta and Robert Greenstein**

MR. PODESTA: I am just going to say three minutes worth of closing comments. And I am going to ask Bob to close up. I want to thank everyone who has participated today. I think it has been a tremendous day of learning and a lot of information that has been put out on the table for us to chew on.

I would say that – I am going to tell you what I heard because I thought that there was a lot of consensus. We tried to get panelists that spanned the spectrum at least of progressivism from somewhat more conservative or centrist voices to people more on the left. But I thought there was, in fact, a broad consensus that this is not a problem. The problem we are focused on particularly with respect to the long-term deficit and debt issues that came about as a result principally or even minorly because of the recovery bill or even the recession, for that matter. It was a problem that was inherited from a wrecked balance sheet, as I said at the beginning. Second, I thought there was a broad consensus on the center and the left that we shouldn't interfere with the recovery today, that today was not the time to withdraw support for the stimulus or for the economy. But the context of this conversation is what we needed to do over the long term.

Third, I thought virtually everyone agreed that there was a long-term structural problem and that it needed to be addressed. There was some difference of opinion as to the precise timing of an intervention, but the need to stabilize the debt as a percentage of GDP was something that I think all of our panelists agreed on. And that in itself as Bob and I were commenting earlier is sort of remarkable that we all agreed on what the metric of success in addressing this problem might be.

I think most people agreed that it was better to plan at least now for – and to think through progressive priorities and begin to build toward some decision-making that could take place as we come out of the deep recession because a response that is based on the unpredictable, the unexpected event often hurts the people who, I think, we care about the most, the people most vulnerable, as the example that was mentioned a couple of times involving the Carter administration suggested. I think there were some voices who thought that we could put at least that decision-making off for some longer period of time. But I think that the idea of putting the options on the table was important.

Everyone agreed that the first thing that needs to happen, I think, is that we need to get on with health-care reform, that we need to push down the cost curve on health. We need to get the kind of productivity gains in the health sector that we see in the rest of the economy. Or I think as Paul Krugman put it, the rest doesn't really matter.

There was consensus that a path forward, I think, is a combination of spending restraints, government productivity improvements and revenue increases. As the last panel, I think, strongly indicated, tax expenditures are a significant set of policies and supporting that in closing the gap, we evaluate those tax expenditures as we evaluate the way we are spending money. Again, it was mentioned that sometimes these things are blended and it is hard to tell in their economic effect one from the other.

And finally, I think there was some disagreement on whether and when to make an advanced commitment. That is, probably Bob Reischauer was leaning the furthest out and saying we should get out of this and try to actually do something next year to make an advanced commitment to begin to solve this long-term debt problem. Others like Paul, I think, thought we should put that off until the signs of recovery were still much more clear and much more stable. But I think that the, as I said, almost everyone agreed that getting to that point where we have stabilized debt as a percentage of GDP was an important national goal. And we have to put progressive ideas on the table in order to be able to do that. With that, let me turn it over to Bob. Thank you all.

MR. GREENSTEIN: Let me start by just noting that while once again here at the end, you are hearing from John and myself, at both CAP and the Center on Budget and Policy Priorities, there are teams of people, each of whom put in many more hours than either John or I did and are the people who have made this conference the success that I and John very much feel it has been.

I very much concur with John that among – I am not going to repeat all the things he said – just to note the notion of casting a broad net, looking at the tax side, looking at the spending side and having a goal of stabilizing the debt, so it does not rise faster than the economy after the economy recovers.

I would also note that John mentioned timing. The timing – and there were some differences in timing. But I think everyone agreed that action is going to need to be taken. And there was a general sense that when the economy recovers, we should do it. There was a little bit of difference as to how quickly to start into that.

One thing we didn't really discuss at the conference, but I would hope there isn't difference on is one thing one can start doing immediately is not making matters worse. This is an issue that is reflected not only in the current health-care debate, where we now have a very clear goal that the legislation on the Hill will not increase the deficit, but that we will be encountering in the next 90 days in debates over whether to, for example, eviscerate more of the estate tax or to get the votes to pass the necessary bill to raise the debt ceiling by adding goodies to it that make the debt bigger, ironically enough.

So for all of these reasons, short term, but especially longer term, I think our two organizations hope and intend that this be the start of an ongoing conversation that continues and that moves forward. If there is another point of consensus that came out of this conference, it is that a great deal is at stake for a great many people.

So let us continue the conversation. For CAP and the center and others, let it not end as we walk out the door in the next few minutes. Let us hear from you any thoughts you have. I think both organizations will have a lot of the material and maybe a lot of the actual video from this conference on their Web sites for people who want to review it subsequently. And let's all think about joint efforts to help the nation move forward on these very important issues. Thank you again for coming and for joining us today. Good afternoon, everyone. (Applause.)

(END)