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PROSPERITY AND GROWTH

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PORTION -- SENATOR BARACK OBAMA

SEN. OBAMA: Thank you. Thank you very much.

I would love just to sit here with these folks and listen because you have on this panel and in this room some of the most innovative, thoughtful policymakers, people who have both ideas but also ways of implementing them into action. Our country owes a great debt to a number of people who are in this room because they helped put us on a pathway of prosperity that we are still enjoying, despite the best efforts of some.

(Laughter)

SEN. OBAMA: I want to thank Bob and Roger and Peter for inviting me to be here today. I wish I could be here longer. I am going to have to run after a few minutes because we do have an important issue relating to U.S.-India relations.

But when Roger originally called to invite me, not only to this forum but to invite me to engage in this project, I couldn't help but think that this was the sort of breath of fresh air that I think this town needs.

We have all known for some time that the forces of globalization have changed the rules of the game—how we work, how we prosper, how we compete with the rest of the word. We all know that the coming baby boomers' retirement will only add to the challenges that we face in this new era. Unfortunately, while the world has changed around us, Washington has been remarkably slow to adapt twenty-first century solutions for a twenty-first century economy. As so many of us have seen, both sides of the political spectrum have tended to cling to outdated policies and tired ideologies instead of coalescing around what actually works.

For those on the left, and I include myself in that category, too many of us have been interested in defending programs the way they were written in 1938, believing that if we admit the need to modernize these programs to fit changing times, then the other side will use those acknowledgements to destroy them altogether. On the right, there is a tendency to push for massive tax cuts, as Peter indicated from my speech at Knox College, no matter what the cost or who the target is, a view that stems from the belief that there is no role for government whatsoever in the challenges we face. Of course, neither of these approaches really works.

Before we came here, somebody was asking me, how do I maintain my idealism? I do because I think the American people know that neither of these approaches works. I think there is a broad consensus out there in the Country that we should be looking for common sense, practical solutions to the problems that we face. I think that there is a market. I think that there is a demand for solutions that are practical, that are based on facts, that are tested, and that require us to think in new ways.

A lot of the people who are here today have done that in the administration. Not only have they succeeded on many of their policies, but almost just as importantly, they have failed occasionally and have acknowledged those failures and adjusted their views. I think that is the kind of experimentation and attitude that all our policymaking has to pursue.

One thing that we all know is that when you invest in people, people will prosper. When you invest in education and health care and benefits for working Americans, it pays dividends throughout every level of our economy. When you keep the deficit low and our debt out of the hands of foreign nations, then we can all win.

Now, the economic statistics of the nineties that we are all so familiar with speak for themselves—income growth across the board, 22 million new jobs, the lowest poverty rate in three decades, the lowest unemployment in years, and record surpluses. None of this, I would argue, happened by itself. It happened because the leadership we had, including many in this room, was willing to take on entrenched interests and experiment with policies that weren't necessarily partisan or ideological.

That is what I hope we will see from The Hamilton Project in the months and years to come. You have already drawn some of the brightest minds from academia and policy circles, many of them I have stolen ideas from liberally, people ranging from Robert Gordon to Austan Goolsbee; Jon Gruber; my dear friend, Jim Wallis here, who can inform what are sometimes dry policy debates with a prophetic voice. So I know that there are going to be wonderful ideas that are generated as a consequence of this project.

Not every idea will I embrace, and I hope that one of the roles that I can play, as a participant in this process, is to not only encourage the work but occasionally challenge

it. I will give one simple example. I think that if you polled many of the people in this room, most of us are strong free traders and most of us believe in markets. Bob and I have had a running debate now for about a year about how do we, in fact, deal with the losers in a globalized economy. There has been a tendency in the past for us to say, well, look, we have got to grow the pie, and we will retrain those who need retraining. But, in fact, we have never taken that side of the equation as seriously as we need to take it. So, hopefully, this is not just going to be all of us preaching to the choir. Hopefully, part of what we are going to be doing is challenging our own conventional wisdom and pushing out the boundaries and testing these ideas in a vigorous and aggressive way.

But I can't think of a better start, given the people who are participating today. I am glad that Brookings has been willing to provide a home for this wonderful effort.

Just remember, as we move forward, that there are real consequences to the work that is being done here. There are people in places like Decatur, Illinois, or Galesburg, Illinois, who have seen their jobs eliminated. They have lost their health care. They have lost their retirement security. They don't have a clear sense of how their children will succeed in the same way that they succeeded. They believe that this may be the first generation in which their children do worse than they do. Some of that, then, will end up manifesting itself in the sort of nativist sentiment, protectionism, and anti-immigration sentiment that we are debating here in Washington. So there are real consequences to the work that is being done here. This is not a bloodless process.

I think that as long as all of us retain that sense of passion about the ultimate outcome that we want, which is a stronger, more prosperous America than we are passing

on to our children, then I think we will do well in this process. I am glad to be a part of it.

Thank you very much.

(Applause)