

Administration of Barack H. Obama, 2010

Remarks on the National Economy in Parma, Ohio

September 8, 2010

The President. Hello, everybody! Hello! Thank you very much. Thank you, Ohio. Thank you, Cleveland. Everybody, please have a seat. Have a seat. We've got some business to do today. Thank you very much.

Audience member. We love you!

The President. I love you back. Thank you.

Before I get started, I want to just acknowledge some outstanding public servants who are here. First of all, somebody who I believe is one of the finest Governors in this country, Ted Strickland is here. The Lieutenant Governor and soon-to-be junior Senator from the great State of Illinois—or Ohio—I was thinking about my own—Lee Fisher is here.

Yeah, I used to hear that line all the time about "Senator from Illinois"—that would be me. [Laughter]

Outstanding mayor of Cleveland, Frank Jackson is here; the mayor of Parma, Dean DePiero. Somebody who's fighting for working families each and every day, Senator Sherrod Brown is here; and three of the hardest working and finest Members of the House of Representatives: Dennis Kucinich, Marcia Fudge, and John Boccieri.

Well, good afternoon, everybody. It is good to be back in Ohio.

You know, in the fall of 2008, one of the last rallies of my Presidential campaign was right here in the Cleveland area. It was a hopeful time, just 2 days before the election. And we knew that if we pulled it off, we'd finally have the chance to tackle some big and difficult challenges that had been facing this country for a very long time.

We also hoped for a chance to get beyond some of the old political divides—between Democrats and Republicans, red States and blue States—that had prevented us from making progress. Because although we are proud to be Democrats, we are prouder to be Americans, and we believed then and we believe now that no single party has a monopoly on wisdom.

Now, that's not to say that the election didn't expose deep differences between the parties. I ran for President because for much of the last decade, a very specific governing philosophy had reigned about how America should work: Cut taxes, especially for millionaires and billionaires; cut regulations for special interests; cut trade deals, even if they didn't benefit our workers; cut back on investments in our people and in our future, in education and clean energy, in research and technology. The idea was that if we just had blind faith in the market, if we let corporations play by their own rules, if we left everyone else to fend for themselves, that America would grow and America would prosper.

And for a time, this idea gave us the illusion of prosperity. We saw financial firms and CEOs take in record profits and record bonuses. We saw a housing boom that led to new homeowners and new jobs in construction. Consumers bought more condos and bigger cars and better TVs.

But while all this was happening, the broader economy was becoming weaker. Nobody understands that more than the people of Ohio. Job growth between 2000 and 2008 was slower

than it had been in any economic expansion since World War II, slower than it's been over the last year. The wages and incomes of middle class families kept falling while the cost of everything from tuition to health care kept on going up. Folks were forced to put more debt on their credit cards and borrow against homes that many couldn't afford to buy in the first place. And meanwhile, a failure to pay for two wars and two tax cuts for the wealthy helped turn a record surplus into a record deficit.

I ran for President because I believed that this kind of economy was unsustainable for the middle class and for the future of our Nation. I ran because I had a different idea about how America was built. It was an idea rooted in my own family's story.

You see, Michelle and I are where we are today because even though our families didn't have much, they worked tirelessly without complaint so that we might have a better life. My grandfather marched off to Europe in World War II, while my grandmother worked in factories on the homefront. I had a single mom who put herself through school and would wake before dawn to make sure I got a decent education. Michelle can still remember her father heading out to his job as a city worker long after multiple sclerosis had made it impossible for him to walk without crutches. He always got to work; he just had to get up a little earlier.

Yes, our families believed in the American values of self-reliance and individual responsibility, and they instilled those values in their children. But they also believed in a country that rewards responsibility, a country that rewards hard work, a country built on the promise of opportunity and upward mobility.

They believed in an America that gave my grandfather the chance to go to college because of the GI bill, an America that gave my grandparents the chance to buy a home because of the Federal Housing Authority, an America that gave their children and grandchildren the chance to fulfill our dreams thanks to college loans and college scholarships.

It was an America where you didn't buy things you couldn't afford, where we didn't just think about today, we thought about tomorrow. An America that took pride in the goods that we made, not just the things we consumed. An America where a rising tide really did lift all boats, from the company CEO to the guy on the assembly line.

That's the America I believe in. That's the America I believe in. That's what led me to work in the shadow of the shuttered steel plant on the south side of Chicago when I was a community organizer. It's what led me to fight for factory workers at manufacturing plants that were closing across Illinois when I was Senator. It's what led me to run for President. Because I don't believe we can have a strong and growing economy without a strong and growing middle class.

Now, much has happened since that election. The flawed policies and economic weaknesses of the previous decade culminated in a financial crisis and the worst recession of our lifetimes. And my hope was that the crisis would cause everybody, Democrats and Republicans, to pull together and tackle our problems in a practical way. But as we all know, things didn't work out that way.

Some Republican leaders figured it was smart politics to sit on the sidelines and let Democrats solve the mess. Others believed on principle that Government shouldn't meddle in the markets, even when the markets are broken. But with the Nation losing nearly 800,000 jobs the month that I was sworn into office, my most urgent task was to stop a financial meltdown and prevent this recession from becoming a second depression.

And Ohio, we have done that. The economy is growing again. The financial markets have stabilized. The private sector has created jobs for the last 8 months in a row. And there are roughly 3 million Americans who are working today because of the economic plan we put into place.

But the truth is, progress has been painfully slow. Millions of jobs were lost before our policies even had a chance to take effect. We lost 4 million jobs in the 6 months before I took office. It was a hole so deep that even though we've added jobs again, millions of Americans remain unemployed. Hundreds of thousands of families have lost their homes. Millions more can barely pay the bills or make the mortgage. The middle class is still treading water, and those aspiring to reach the middle class are doing everything they can to keep from drowning.

And meanwhile, some of the very steps that were necessary to save the economy, like temporarily supporting the banks and the auto industry, fed the perception that Washington is still ignoring the middle class in favor of special interests.

And so people are frustrated, and they're angry, and they're anxious about the future. I understand that. I also understand that in a political campaign, the easiest thing for the other side to do is to ride this fear and anger all the way to election day.

And that's what's happening right now. A few weeks ago, the Republican leader of the House came here to Cleveland and offered his party's answer to our economic challenges. Now, it would be one thing if he had admitted his party's mistakes during the 8 years that they were in power, if they had gone off for a while and meditated and come back and offered a credible new approach to solving our country's problems.

But that's not what happened. There were no new policies from Mr. Boehner. There were no new ideas. There was just the same philosophy that we had already tried during the decade that they were in power, the same philosophy that led to this mess in the first place: Cut more taxes for millionaires and cut more rules for corporations.

Instead of coming together like past generations did to build a better country for our children and grandchildren, their argument is that we should let insurance companies go back to denying care for folks who are sick or let credit card companies go back to raising rates without any reason. Instead of setting our sights higher, they're asking us to settle for a status quo of stagnant growth and eroding competitiveness and a shrinking middle class.

Cleveland, that is not the America I know. That is not the America we believe in.

A lot has changed since I came here in those final days of the last election, but what hasn't is the choice facing this country. It's still fear versus hope, the past versus the future. It's still a choice between sliding backward and moving forward. That's what this election's about. That's the choice you will face in November.

Now, we have a different vision for the future. See, I've never believed that government has all the answers to our problems. I've never believed that government's role is to create jobs or prosperity. I believe it's the drive and the ingenuity of our entrepreneurs, our small businesses, the skill and dedication of our workers that's made us the wealthiest nation on Earth. I believe it's the private sector that must be the main engine for our recovery.

I believe government should be lean; government should be efficient. I believe government should leave people free to make the choices they think are best for their—themselves and their families, so long as those choices don't hurt others.

But in the words of the first Republican President, Abraham Lincoln, I also believe that government should do for the people what they cannot do better for themselves. And that means making the long-term investments in this country's future that individuals and corporations can't make on their own, investments in education and clean energy, in basic research and technology and infrastructure.

That means making sure corporations live up to their responsibilities to treat consumers fairly and play by the same rules as everybody else, their responsibilities to look out for their workers as well as their shareholders and create jobs here at home.

And that means providing a hand up for middle class families so that if they work hard and meet their responsibilities, they can afford to raise their children and send them to college, see a doctor when they get sick, retire with dignity and respect.

That's what we Democrats believe in, a vibrant free market, but one that works for everybody. That's our vision. That's our vision for a stronger economy and a growing middle class. And that's the difference between what we and Republicans in Congress are offering the American people right now.

Now, let me give you a few specific examples of our different approaches. This week, I proposed some additional steps to grow the economy and help businesses spur hiring. One of the keys to job creation is to encourage companies to invest more in the United States. But for years, our Tax Code has actually given billions of dollars in tax breaks that encourage companies to create jobs and profits in other countries.

I want to change that. I want to change that. Instead of tax loopholes that incentivize investment in overseas jobs, I'm proposing a more generous, permanent extension of the tax credit that goes to companies for all the research and innovation they do right here in Ohio, right here in the United States of America.

And I'm proposing that all American businesses should be allowed to write off all the investment they do in 2011. And this will help small businesses upgrade their plants and equipment and will encourage large corporations to get off the sidelines and start putting their profits to work in places like Cleveland and Toledo and Dayton.

Now, to most of you, I'll bet this just seems like common sense. [*Laughter*] But not to Mr. Boehner and his allies. For years, Republicans have fought to keep these corporate loopholes open. In fact, when Mr. Boehner was here in Cleveland, he attacked us for closing a few of these loopholes and using the money to help States like Ohio keep hundreds of thousands of teachers and cops and firefighters on the job.

Mr. Boehner dismissed these jobs we saved—teaching our kids, patrolling our streets, rushing into burning buildings—as, quote, "government jobs," jobs I guess he thought just weren't worth saving. And I couldn't disagree more. I think teachers and police officers and firefighters are part of what keeps America strong.

And Ohio, I think if we're going to give tax breaks to companies, they should go to companies that create jobs here in America, not that create jobs overseas. That's one difference between the Republican vision and the Democratic vision. That's what this election is all about.

Now, let me give you another example. We want to put more Americans back to work rebuilding America: our roads, our railways, our runways. When the housing sector collapsed and the recession hit, one in every four jobs lost were in the construction industry. That's partly why our economic plan has invested in badly needed infrastructure projects over the last 19

months, not just roads and bridges, but high-speed railroads and expanded broadband access. Altogether, these projects have led to thousands of good private sector jobs, especially for those in the trades.

Mr. Boehner and the Republicans in Congress said no to these projects, fought them tooth and nail. Though I should say it didn't stop a lot of them from showing up at the ribbon cuttings—[*laughter*]—trying to take credit. That's always a sight to see. [*Laughter*]

Now, there are still thousands of miles of railroads and railways and runways left to repair and improve. And engineers, economists, Governors, mayors of every political stripe believe that if we want to compete in this global economy, we need to rebuild this vital infrastructure. There is no reason Europe or China should have the fastest trains or the most modern airports. We want to put America to work building them right here in America.

So this week, I've proposed a 6-year infrastructure plan that would start putting Americans to work right away. But despite the fact that this has traditionally been an issue with bipartisan support, Mr. Boehner has so far said no to infrastructure. That's bad for America. And that too is what this election is all about.

I'll give you one final example of the differences between us and the Republicans, and that's on the issue of tax cuts. Under the tax plan passed by the last administration, taxes are scheduled to go up substantially next year—for everybody. By the way, this was by design. When they passed these tax cuts in 2001 and 2003, they didn't want everybody to know what it would do to our deficit, so they pretended like they were going to end, even though now they say they don't.

Now, I believe we ought to make the tax cuts for the middle class permanent—for the middle class permanent. These families are the ones who saw their wages and incomes flatline over the last decade. You deserve a break; you deserve some help. And because folks in the middle class are more likely to spend their tax cut on basic necessities, that strengthens the economy as a whole.

But the Republican leader of the House doesn't want to stop there. Make no mistake: He and his party believe we should also give a permanent tax cut to the wealthiest 2 percent of Americans.

Audience members. No!

The President. With all the other budgetary pressures we have, with all the Republicans' talk about wanting to shrink the deficit, they would have us borrow \$700 billion over the next 10 years to give a tax cut of about a hundred thousand dollars each to folks who are already millionaires. And keep in mind, wealthy Americans are just about the only folks who saw their incomes rise when Republicans were in charge. And these are the folks who are less likely to spend the money, which is why economists don't think tax breaks for the wealthy would do much to boost the economy.

So let me be clear to Mr. Boehner and everybody else: We should not hold middle class tax cuts hostage any longer. We are ready this week, if they want, to give tax cuts to every American making \$250,000 or less. That's 98—97 percent of Americans. Now, for any income over this amount, the tax rates would just go back to what they were under President Clinton.

This isn't to punish folks who are better off—God bless them. It's because we can't afford the \$700 billion price tag. And for those who claim that our approach would somehow be bad for growth and bad for small businesses, let me remind you that with those tax rates in place

under President Clinton, this country created 22 million jobs and raised incomes and had the largest surplus in our history.

In fact, if the Republican leadership in Congress really wants to help small businesses, they'll stop using legislative maneuvers to block an up-or-down vote on a small-business jobs bill that's before the Senate right now—right now. This is a bill that would do two things: It would cut taxes for small businesses and make loans more available for small businesses. It is fully paid for, won't add to the deficit, and it was written by Democrats and Republicans. And yet the other party continues to block this jobs bill, a delay that small-business owners have said is actually leading them to put off hiring.

Look, I recognize that most of the Republicans in Congress have said no to just about every policy I've proposed since taking office. I realize in some cases that there are genuine philosophical differences. But on issues like this one—a tax cut for small businesses supported by the Chamber of Commerce—the only reason they're holding this up is politics, pure and simple. They're making the same calculation they made just before my Inauguration: If I fail, they win. Well, they might think that this will get them to where they want to go in November, but it won't get our country going where it needs to go in the long run. It won't get us there. It won't get us there. It won't get us there.

So that's the choice, Ohio: Do we return to the same failed policies that ran our economy into a ditch, or do we keep moving forward with policies that are slowly pulling us out? Do we settle for a slow decline, or do we reach for an America with a growing economy and a thriving middle class? That's the America that I see. We may not be there yet, but we know where this country needs to go.

We see a future where we invest in American innovation and American ingenuity; where we export more goods so we create more jobs here at home; where we make it easier to start a business or patent an invention; where we build a homegrown clean energy industry, because I don't want to see new solar panels or electric cars or advanced batteries manufactured in Europe or Asia. I want to see them made right here in the U.S. of A. by American workers.

We see an America where every citizen has the skills and training to compete with any worker in the world. That's why we've set a goal to once again have the highest proportion of college graduates in the world by 2020. That's why we're revitalizing community colleges like this one. That's why we're reforming our education system based on what works for our children, not what perpetuates the status quo.

We see an America where a growing middle class is the beating heart of a growing economy. That's why I kept my campaign promise and gave a middle class tax cut to 95 percent of working Americans. That's why we passed health insurance reform that stops insurance companies from jacking up your premiums at will or denying coverage because you get sick. That's why we passed financial reform that will end taxpayer-funded bailouts, reform that will stop credit card companies and mortgage lenders from taking advantage of taxpayers and consumers.

That's why we're trying to make it easier for workers to save for retirement and fighting the efforts of some in the other party to privatize Social Security, because as long as I'm President, no one is going to take the retirement savings of a generation of Americans and hand it over to Wall Street. Not on my watch.

That's why we're fighting to extend the child tax credit and make permanent our new college tax credit, because if we do, it will mean \$10,000 in tuition relief for each child going to

4 years of college. And I don't want any parent not to be sending their kids, in good time or bad, to college because they can't afford it.

And finally, we see an America where we refuse to pass on the debt we inherited to the next generation. Now, let me spend just a minute on this issue, because we've heard a lot of moralizing on the other side about this: Government spending and debt. Along with the tax cuts for the wealthy, the other party's main economic proposal is that they'll stop Government spending.

Now, it's right to be concerned about the long-term deficit. If we don't get a handle on it soon, it can endanger our future. And at a time when folks are tightening their belts at home, I understand why a lot of Americans feel it's time for Government to show some discipline too. But let's look at the facts. When these same Republicans—including Mr. Boehner—were in charge, the number of earmarks and pet projects went up, not down.

These same Republicans turned a record surplus into a record deficit. When I walked in, wrapped in a nice bow was a \$1.3 trillion deficit sitting right there on my doorstep—*[laughter]*—a welcoming present.

Just this year, these same Republicans voted against a bipartisan fiscal commission that they themselves had proposed. Once I decided I was for it, they were against it. *[Laughter]* And when you ask them what programs they'd actually cut, they don't have an answer. That's not fiscal responsibility. That's not a serious plan to govern.

Now, I'll be honest, I refuse to cut back on those investments that will grow our economy in the future, investments in areas like education and clean energy and technology. I don't want to cut those things. And that's because economic growth is the single best way to bring down the deficit—and we need these investments to grow. But I am absolutely committed to fiscal responsibility, which is why I've already proposed freezing all discretionary spending unrelated to national security for the next 3 years.

And once the bipartisan fiscal commission finishes its work, I'll spend the next year making the tough choices necessary to further reduce our deficit and lower our debt, whether I get help from the other side or not.

Of course, reducing the deficit won't be easy. Making up for the 8 million lost jobs caused by this recession won't happen overnight. Not everything we've done over the last 2 years has worked as quickly as we had hoped, and I am keenly aware that not all of our policies have been popular.

So, no, our job is not easy. But you didn't elect me to do what was easy. You didn't elect me to just read the polls and figure how to keep myself in office. You didn't elect me to avoid big problems. You elected me to do what was right. And as long as I'm President, that's exactly what I intend to do.

This country is emerging from an incredibly difficult period in its history, an era of irresponsibility that stretched from Wall Street to Washington and had a devastating effect on a lot of people. We have started turning the corner on that era. But part of moving forward is returning to the time-honored values that built this country: hard work and self-reliance; responsibility for ourselves, but also responsibility for one another. It's about moving from an attitude that said, "What's in it for me?" to one that asks, "What's best for America? What's best for all our workers? What's best for all of our businesses? What's best for all of our children?"

These values are not Democratic or Republican. They are not conservative or liberal values. They are American values. As Democrats, we take pride in what our party has accomplished over the last century: Social Security and the minimum wage; the GI bill and Medicare; civil rights and workers' rights and women's rights. But we also recognize that throughout our history, there has been a noble Republican vision as well of what this country can be. It was the vision of Abraham Lincoln, who set up the first land-grant colleges and launched the transcontinental railroad; the vision of Teddy Roosevelt, who used the power of Government to break up monopolies; the vision of Dwight Eisenhower, who helped build the Interstate Highway System; and, yes, the vision of Ronald Reagan, who, despite his aversion to Government, was willing to help save Social Security for future generations, working with Democrats.

These were serious leaders for serious times. They were great politicians, but they didn't spend all their time playing games or scoring points. They didn't always prey on people's fears and anxieties. They made mistakes, but they did what they thought was in the best interests of their country and its people.

And that's what the American people expect of us today—Democrats, Independents, and Republicans. That's the debate they deserve. That's the leadership we owe them.

I know that folks are worried about the future. I know there's still a lot of hurt out here. And when times are tough, I know it can be tempting to give in to cynicism and fear and doubt and division and just settle our sights a little bit lower, settle for something a little bit less. But that's not who we are, Ohio. Those are not the values that built this country.

We are here today because in the worst of times, the people who came before us brought out the best in America, because our parents and our grandparents and our great-grandparents were willing to work and sacrifice for us. They were willing to take great risks and face great hardship and reach for a future that would give us the chance at a better life. They knew that this country is greater than the sum of its parts, that America's not about the ambitions of any one individual, but the aspirations of an entire people, an entire nation.

That's who we are. That is our legacy. And I'm convinced that if we're willing to summon those values today and if we're willing to choose hope over fear and choose the future over the past and come together once more around the great project of national renewal, then we will restore our economy and rebuild our middle class and reclaim the American Dream for the next generation.

Thank you. God bless you, and may God bless the United States of America.

NOTE: The President spoke at 2:06 p.m. at Cuyahoga Community College Western Campus.

Categories: Addresses and Remarks : Economy, national :: Parma, OH.

Locations: Parma, OH.

Names: Boccieri, John A.; Boehner, John A.; Brown, Sherrod; Clinton, William J.; DePiero, Dean; Fisher, Lee; Fudge, Marcia L.; Jackson, Frank G.; Kucinich, Dennis; Obama, Michelle; Strickland, Theodore.

Subjects: Afghanistan : U.S. military forces :: Deployment; Budget, Federal : Congressional spending restraint; Budget, Federal : Deficit and national debt; Budget, Federal : Deficit Reduction Commission; Budget, Federal : Government programs, spending reductions;

Business and industry : Domestic investment, proposed tax breaks for; Business and industry : Entrepreneurship, promotion of; Business and industry : Facility and equipment purchases, tax incentives; Business and industry : Global competitiveness; Business and industry : Small and minority businesses; Commerce, international : U.S. exports :: Expansion; Congress : Bipartisanship; Congress : House of Representatives :: Minority leader; Economy, national : American Recovery and Reinvestment Act of 2009; Economy, national : Dodd-Frank Wall Street Reform and Consumer Protection Act; Economy, national : Economic concerns; Economy, national : Improvement; Economy, national : Recession, effects; Economy, national : Strengthening efforts; Education : American Graduation Initiative, proposed; Education : Global competitiveness; Education : Postsecondary education :: Community colleges; Education : Postsecondary education :: Tax credits, expansion; Education : Reform legislation, proposed; Education jobs and State funding assistance legislation; Employment and unemployment : Job creation and growth; Employment and unemployment : Job losses; Employment and unemployment : Outsourcing to foreign countries; Energy : Alternative energy products and technologies, U.S. production; Health and medical care : Patient Protection and Affordable Care Act; Housing : Housing market :: Decline; Iraq : U.S. military forces :: Deployment; Legislation, proposed : "Small Business Jobs and Credit Act of 2010"; Ohio : Governor; Ohio : Lieutenant Governor; Ohio : President's visits; Science and technology : Broadband technology; Social Security and retirement : Social Security program; Taxation : Childcare expenses, tax credit; Taxation : Tax Code :: Reform; Taxation : Tax cuts, budgetary effects; Taxation : Tax relief; Transportation : High-speed rail lines, development and expansion; Transportation : Mass transit and rail infrastructure, improvement efforts.

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