

Remarks at Conveyor Engineering & Manufacturing in Cedar Rapids, Iowa
January 25, 2012

Thank you! Hello, Iowa! Hello, Cedar Rapids! All right. Thank you. Thank you, everybody. Please have a seat.

It is great to be back in Iowa, although it is a little colder here—[*laughter*]*—*than it was in Washington. I want to thank Jeff for the introduction. It's good to see your Governor, Governor Branstad, and Mayor Corbett, outstanding members of the congressional delegation, all kinds of good friends. In fact, this whole row here, if I start introducing them, it will make my speech twice as long, but I love these guys. And it is wonderful to be back here in Iowa.

I know there's been a lot of excitement here over the past couple of months. It kind of made me nostalgic. [*Laughter*] I used to have a lot of fun here in Iowa. I remember a great backyard barbecue out in Marion way back in 2007. Good burgers. I did not have as much gray hair back then. [*Laughter*]

But when I think about all the days I spent in Iowa, so much of my Presidency, so much about what I care about, so much what I think about every day, has to do with the conversations that I had with you. People's backyards, VFW halls—those conversations I carry with me.

All across this State, in all 99 counties—and I was in, I think, just about every county—we talked about how for years the middle class was having a tougher time. Hard work had stopped paying off for too many people. Good jobs and manufacturing were leaving our shores.

Folks at the very, very top saw their incomes rise like never before, but most Americans, most folks in Iowa, were just trying to stay afloat. And that was before the financial crisis hit in 2008.

The crisis stuck—struck right at the end of a long campaign, but we didn't even understand at that point how bad that crisis was going to be. And millions of our neighbors were put out of work.

But we did know then what we know today: That when we come together as a country, there's no reason why we can't restore that basic American promise, that if you work hard, you can do well.

America is not about handouts. America is about earning everything you've got. But if you're willing to put in the work, the idea is that you should be able to raise a family and own a home, not go bankrupt because you got sick, because you've got some health insurance that helps you deal with those difficult times; that you can send your kids to college; that you can put some money away for retirement. That's all most people want.

Folks don't have unrealistic ambitions. They do believe that if they work hard they should be able to achieve that small measure of an American Dream. That's what this country is about. That's what you deserve. That's what we talked about during the campaign.

Now today, 3 years after the worst economic storm in three generations, we are making progress. Our businesses have created more than 3 million jobs over the last 22 months. If you look at a job chart—if you look at a chart of what's happened in terms of jobs in America, we

lost 4 million jobs before I took office, another 4 million in the few months right after I took office, before our economic policies had a chance to take effect, and we've been growing and increasing jobs ever since—3 million over the last 22 months. Last year, we created the most jobs since 2005. And today, American manufacturers like this one are hiring again, creating jobs for the first time since the 1990s. And that's good news.

Our economy is getting stronger. We've got a lot of work to do, but it's getting stronger. And we've come way too far to turn back now. After everything that's happened, there are people in Washington who seem to have collective amnesia. They seem to have forgotten how we got into this mess. They want to go back to the very same policies that got us into it, the same policies that have stacked the deck against middle class Americans for years.

And their philosophy, what there is of it, seems to be pretty simple: We're better off when everybody is left to fend for themselves and everybody can play by their own rules. And I'm here to say they're wrong. We're not going to go back to an economy weakened by outsourcing and bad debt and phony financial profits. That's not how America was built. We're not going to go back to that.

So last night in the State of the Union, I laid out my vision for how we move forward. I laid out a blueprint for an economy that is built to last.

It's an economy built on American manufacturing with more good jobs and more products made right here in the United States of America. It's an economy built on American energy, fueled by homegrown and alternative energy sources that make us more secure and less dependent on foreign oil. And by the way, there's a connection between those two things. This company right here, some of its key customers are folks who are active in alternative energy. There are jobs to be had—and Iowa knows all about it—when we are pursuing aggressively clean energy and alternative energy.

It's an economy built on the skills of American workers, getting people the education and the training they need so they're prepared for the jobs of today and they're ready to compete for the jobs of tomorrow.

And most importantly, it's an economy that's built on a renewal of American values, heartland values, values that Iowa knows something about: hard work, responsibility, and the same set of rules for everybody, from Main Street to Wall Street.

That has to be our future. That's how we restore that basic American promise. And it starts with manufacturing.

Look what happened in our auto industry. On the day I took office, it was on the verge of collapse. And some even said we should let it die. I've got the clips in case—*[laughter]*—because I remember. They were beating the heck out of me. "Why are you doing this? Why are you intervening?"

But we stood to lose a million jobs, not just in the auto industry, but all the suppliers, all the related businesses. So I refused to let that happen.

In exchange for help—see, keep in mind, that the administration before us, they had been writing some checks to the auto industry with asking nothing in return. It was just a bailout, straightforward. We said we're going to do it differently.

In exchange for help, we also demanded responsibility from the auto industry. We got the industry to retool and to restructure. We got workers and management to get together, figure out how to make yourselves more efficient.

And over the past 2 years, that entire industry has added nearly 160,000 jobs. GM is number one in the world again. Ford is investing billions in new plants. Chrysler is growing faster. So today, the American auto industry is back.

And I want what's happening in Detroit to happen in other industries. I want it to happen in Cleveland and Pittsburgh and Raleigh. And I want it to happen right here in Cedar Rapids, Iowa.

Now, it's already happening at places like Conveyor. These folks make some big stuff. I just got a tour—a quick tour from Graig and Jeff, met some of the workers here, and they told me the story of how Conveyor started. Like so many other wonderful American companies, it started in a garage—couldn't make that up. Today, they employ 65 people, from engineers and welders to assembly-line workers and salespeople. They specialize in making augers—those giant screws—and they used to mix and move everything from cement to chocolate. They don't use the same ones for—*[laughter]*—just in case you were wondering.

So Conveyor has doubled in size twice over the last 16 years, and over the next several years, they're hoping to double again.

See, right now we have a huge opportunity to help companies like this hire more workers, because what's—here's what's happening globally. Obviously, the economy had shifted all around the world. And we were getting more competition from other countries like China that were catching up and had very low wage rates. We had technology that was displacing a lot of workers. But here's what's going on: It's getting more expensive to do business in China now. Their wages are going up. Transportation costs to ship a big auger over here, it starts becoming cost prohibitive.

Meanwhile, America is getting more productive. We've become more efficient. We are as competitive as we've ever been. So for a lot of companies, it's starting to make a lot more sense to bring jobs back home.

But we've got to seize that opportunity. We've got to help these companies succeed. And it starts with changing our Tax Code. *[Applause]* It starts with changing our Tax Code.

Now, right now companies get all kinds of tax breaks when they move jobs and profits overseas. Think about that. A company that chooses to stay in America gets hit with one of the highest tax rates in the world. That's wrong. It doesn't make sense. We've got to stop rewarding businesses that ship jobs overseas, reward companies like Conveyor that are doing business right here in the United States of America.

Now before the other side gets all excited, let me be clear: If you're a company that wants to outsource jobs or do business around the world, that's your right. It's a free market. But you shouldn't get a tax break for it. Companies that are bringing jobs back from overseas should get tax breaks. High-tech manufacturers should get tax breaks. Manufacturers like Conveyor that stamp products with three proud words: Made in America. Those are the folks who should be rewarded through our Tax Code.

Jeff and Graig told me that if we passed tax reforms like these, they'd be able to buy more equipment for their facility. So let's do it. Today my administration is laying out several

concrete actions we could take right now to discourage outsourcing and encourage investing in America. You need to tell Congress to send me this tax reform plan. I will sign it right away.

We need to make it easier for American businesses to do business here in America, and we also need to make it easier for American businesses to sell our products other places in the world. I don't want to export our jobs; I want to export our goods and our services.

So 2 years ago, I set a goal of doubling U.S. exports within 5 years. And by the way, Iowa, you should be interested that obviously a big chunk of those exports are also agricultural, which is doing wonders for this State's economy. The agricultural sector is doing very well. But I also want us to export manufacturing.

And we're on track to meet our goal of doubling exports. Actually we're ahead of schedule. Exports has been one of the strengths of this recovery. And soon, thanks to new trade agreements I've signed, not only are we going to be sending more soy beans into South Korea, but we're also going to start seeing new cars on the streets of Seoul, South Korea, imported from Detroit and Toledo and Chicago.

I don't mind Kias being sold here, I just want to make sure that they're also buying some Chevys and some Fords. So we're going to keep boosting American manufacturing. We're going to keep training workers with the skills they need to find these jobs. We're going to keep creating new jobs in American energy, including alternative energy that's been a source of strength for a lot of rural communities in Iowa. And an economy built to last also means making sure that there's a sense of fair play and shared responsibility.

Now most immediately—I was talking about taxes on business—the most immediate thing we need to do with our Tax Code is make sure that we stop a tax hike on 160 million working Americans at the end of next month. People can't afford losing \$40 out of each paycheck. Not right now. Your voices convinced Congress to extend this middle class tax cut before. You remember there was a little resistance there at the end of last year? But you guys sent a message: Renew that payroll tax cut, strengthen the economy. But they only extended it for 2 months. We now have to extend it for the entire year. So I need your help to make sure they do it again. Tell Congress to pass this tax cut without drama, without delay, no soap operas. Just get it done.

In the longer run, if we're going to invest in our future, we've also got to get our fiscal house in order. You hear a lot of talk about deficits and debt. And those are legitimate concerns although the most important thing we can do to actually reduce the debt is to grow the economy. So we can't abandon our investments in things like manufacturing and education investment, because if we're growing faster, the debt and deficits start coming down, the numbers get easier to manage. You can't just cut your way out of it. It's just like a family. If you are struggling to get out of debt, but you decide, well, I'll just—I won't repair the roof or the boiler, and I'll stop sending my kid to college, that's not the way you're going to solve your long-term problems.

Now, we're going to have to make some tough choices though. And right now we are scheduled to spend nearly \$1 trillion more on what was intended to be a temporary tax cut for the wealthiest 2 percent of Americans. A quarter of all millionaires pay lower tax rates than millions of middle class households. Warren Buffett pays a lower tax rate than his secretary. Warren Buffett's secretary was at the State of the Union last night, just to confirm—*[laughter]*—that fact.

Now, does that make any sense to you? Do we want to keep these tax cuts for folks like me who don't need them? I'm doing okay. *[Laughter]* I really am. And look, nobody likes paying taxes. I understand that. So if we didn't need it, if the country was in a surplus like it was back in 2000, I'd understand us saying, well, let's try to let millionaires keep every last dime. I get that. But that's not the situation we're in. And so we've got to make choices.

Do we want to keep investing in everything that's important to our long-term growth—education, medical research, our military, caring for our veterans—all of which are expensive? Or do we keep these tax cuts for folks who don't need them and weren't even asking for them? Because we can't do both. I want to be very clear about this. We cannot do both. You've got to choose.

So I believe we should follow what we call the Buffett rule: If you make more than a million dollars a year—I don't mean that you've got a million dollars' worth of assets. I don't mean a family that's been saving all their lives and doing well, but—and is comfortable, and finally they've got a little nest egg. If you make more than a million dollars a year, you should pay a tax rate of at least 30 percent. If, on the other hand, you make less than \$250,000 a year, which includes 98 percent of you, your taxes shouldn't go up.

And by the way, if we do that and we make some smart cuts in other areas, we can get this deficit and debt under control and still be making the investments we need to grow the economy.

A lot of—I hear folks running around calling this class warfare. This is not class warfare. Let me tell you something, asking a billionaire to pay at least as much as his secretary, that's just common sense. That's common sense. I mean, we're talking about going back to tax rates that we had under Bill Clinton—when, by the way, the economy grew faster and jobs increased much faster. And in the meantime, Warren Buffett will do fine. *[Laughter]* I will do fine. We don't need tax breaks; you do. You're the ones who've seen your wages stall, the cost of everything from groceries to college tuition going up. So I want to give you a break. I don't need a break.

Look, we don't begrudge success in America. This family business right here, I want them to thrive. I want these guys to keep growing and growing and growing and hire and hire and hire. When we talk—when Americans talk about folks like me paying my fair share in taxes, it's not because Americans envy the rich. Most of them want to get rich. Most of them will work hard to try to do well financially. It's because if I get a tax break I don't need and the country can't afford, then either it's going to add to our deficit, and that's what happened between 2000 and 2008, basically. All these tax cuts just added to the deficit because they weren't paid for, so it takes money out of the Treasury.

Or alternatively, if we're going to close that deficit, somebody else is going to have to pick up the tab. It might be a senior who now suddenly has to pay more for their Medicare. It's got to be a student who's suddenly having to pay more for their student loan. It might be a family that's just trying to get by, and suddenly, their tax rates go up. That's not right. That's not who we are.

One of the biggest disagreements I have with some folks in Washington is the nature of America's success. Each of us is only here because somebody somewhere felt a responsibility to each other and felt a responsibility to our country's future. And that starts within our own families. It starts with us making sure our kids are responsible and we're instilling in them the values of hard work and doing your homework and treating other people with respect. But then

it expands from there to our neighborhoods and our communities. And we recognize that if everybody is getting a fair shot, everybody has a chance to do better.

That's what built this country. Now it's our turn to be responsible. Now it's our turn to leave an America that's built to last. And I think we can do it. I'm confident we can do it. I believe it because of what I see in places like Cedar Rapids, what I hear when I meet the folks who are gathered here today.

I mean, think about what you've accomplished coming back from those floods. Now, that wasn't a matter of just each person being on their own. It was a matter of everybody pulling together to rebuild a city and make it stronger than it was before. That's how we work. And that FEMA assistance wasn't—it didn't come out of nowhere. It came around because, as a country, as a United States of America, we decide, you know what, when any part of the country gets in trouble, we're going to step in and help out. That's what we do.

This country only exists because generations of Americans worked together and looked out for each other and believed that we're stronger when we rise together. And those values are not Democratic values or Republican values. Those are American values. Those are the values we have to return to.

So we're going to keep on moving on American energy. We're going to keep on moving on American manufacturing. We are going to push hard to make sure that American workers have the skills they need to compete. And we're going to make sure that everything we do abides by those core American values that are so important.

And I know that if we work together and in common purpose, we can build an economy that gives everybody a fair shot. We can meet this challenge. And we'll remind everybody just why it is the United States of America is the greatest nation on Earth.

Thank you, everybody. God bless you. God bless America.

NOTE: The President spoke at 11:47 a.m. In his remarks, he referred to Jeff Baxter, operations supervisor, and Graig Cone, president, Conveyor Engineering & Manufacturing; Gov. Terry E. Branstad of Iowa; Mayor Ron Corbett of Cedar Rapids, IA; and Warren E. Buffett, chairman and chief executive officer, and Debbie Bosanek, assistant, Berkshire Hathaway Inc.

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