

Remarks on the National Economy

December 28, 2012

Good afternoon, everybody. For the past couple of months, I've been working with leaders of both parties to try and forge an agreement that would grow our economy and shrink the deficit, a balanced plan that would cut spending in a responsible way, but also ask the wealthiest Americans to pay a little more and, above all, protect our middle class and everybody who is striving to get into the middle class.

I still want to get this done. It's the right thing to do for our families, for our businesses, and for our entire economy. But the hour for immediate action is here. It is now.

We're now at the point where, in just 4 days, every American's tax rates are scheduled to go up by law. Every American's paycheck will get considerably smaller. And that would be the wrong thing to do for our economy, it would be bad for middle class families, and it would be bad for businesses that depend on family spending. Fortunately, Congress can prevent it from happening if they act right now.

I just had a good and constructive discussion here at the White House with Senate and House leadership about how to prevent this tax hike on the middle class, and I'm optimistic we may still be able to reach an agreement that can pass both houses in time. Senators Reid and McConnell are working on such an agreement as we speak.

[At this point, a conversation could be heard off camera.]

But if an agreement isn't reached in time between Senator Reid and Senator McConnell, then I will urge Senator Reid to bring to the floor a basic package for an up-or-down vote, one that protects the middle class from an income tax hike, extends the vital lifeline of unemployment insurance to 2 million Americans looking for a job, and lays the groundwork for future cooperation on more economic growth and deficit reduction.

[The disruption continued.]

Guys, I can hear you over here.

I believe such a proposal could pass both Houses with bipartisan majorities as long as those leaders allow it to actually come to a vote. If Members of the House or the Senate want to vote no, they can, but we should let everybody vote. That's the way this is supposed to work. If you can get a majority in the House and you can get a majority in the Senate, then we should be able to pass a bill.

So the American people are watching what we do here. Obviously, their patience is already thin. This is deja vu all over again. America wonders why it is that in this town, for some reason, you can't get stuff done in an organized timetable, why everything always has to wait until the last minute. Well, we're now at the last minute, and the American people are not going to have any patience for a politically self-inflicted wound to our economy. Not right now.

The economy is growing, but sustaining that trend is going to require elected officials to do their jobs. The housing market is recovering, but that could be impacted if folks are seeing smaller paychecks. The unemployment rate is the lowest it's been since 2008, but already,

you're seeing businesses and consumers starting to hold back because of the dysfunction that they see in Washington.

Economists, business leaders all think that we're poised to grow in 2013, as long as politics in Washington don't get in the way of America's progress.

So we've got to get this done. I just want to repeat: We had a constructive meeting today. Senators Reid and McConnell are discussing a potential agreement, where we can get a bipartisan bill out of the Senate, over to the House, and done in a timely fashion so that we've met the December 31 deadline. But given how things have been working in this town, we always have to wait and see until it actually happens. The one thing that the American people should not have to wait and see is some sort of action.

So if we don't see an agreement between the two leaders in the Senate, I expect a bill to go on the floor—and I've asked Senator Reid to do this—put a bill on the floor that makes sure that taxes on middle class families don't go up, that unemployment insurance is still available for 2 million people, and that lays the groundwork, then, for additional deficit reduction and economic growth steps that we can take in the new year.

But let's not miss this deadline. That's the bare minimum that we should be able to get done, and it shouldn't be that hard since Democrats and Republicans both say they don't want to see taxes go up on middle class families.

And I just have to repeat: Outside of Washington, nobody understands how it is that this seems to be a repeat pattern over and over again. Ordinary folks, they do their jobs. They meet deadlines. They sit down, and they discuss things, and then, things happen. If there are disagreements, they sort through the disagreements. The notion that our elected leadership can't do the same thing is mind-boggling to them. And it needs to stop.

So I'm modestly optimistic that an agreement can be achieved. Nobody is going to get 100 percent of what they want, but let's make sure that middle class families and the American economy—and in fact, the world economy—aren't adversely impacted because people can't do their jobs.

All right? Thank you very much, everybody.

NOTE: The President spoke at 5:52 p.m. in the James S. Brady Press Briefing Room at the White House.

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Names: McConnell, A. Mitchell; Reid, Harry M.

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