

Remarks on the Federal Budget

February 2, 2015

The President. Thank you so much. Thank you, everybody. Please, have a seat. Well, good morning, everybody.

Audience members. Good morning.

The President. It is good to be here at the Department of Homeland Security. And let me thank Jeh Johnson not only for the outstanding job that's he's doing as Secretary of DHS, but also for a short introduction. I like short introductions. [*Laughter*] Give him a big round of applause.

This is a great way to start the week, because I get to do something I enjoy doing, which is saying thank you. Nobody works harder to keep America safe than the people who are gathered here today. And you don't get a lot of attention for it. That's the nature of the job. But I know how vital you are, and I want to make sure that more Americans know how vital you are. Because against just about every threat that we face—from terrorist networks to microscopic viruses, to cyber attacks, to weather disasters—you guys are there. You protect us from threats at home and abroad, by air and land and sea. You safeguard our ports, you patrol our borders. You inspect our chemical plants, screen travelers for Ebola, shield our computer networks, help hunt down criminals from around the world. You have a busy agenda, a full plate. And here at home, you are ready to respond to any emergency at a moment's notice.

It is simply extraordinary how much the Department of Homeland Security does every single day to keep our Nation, our people, safe. It's a critical job, and you get it done with not—without a lot of fanfare. And I want to make sure that you have what you need to keep getting the job done. Every American has an interest in making sure that the Department of Homeland Security has what it needs to achieve its mission, because we are reliant on that mission every single day.

Now, today I'm sending Congress a budget that will make sure you've got what you need to achieve your mission. It gives you the resources you need to carry out your mission in a way that is smart and strategic and makes the most of every dollar. It's also a broader blueprint for America's success in this new global economy. Because after a breakthrough year for America—at a time when our economy is growing and our businesses are creating jobs at the fastest pace since the 1990s and wages are starting to rise again—we've got some fundamental choices to make about the kind of country we want to be.

Will we accept an economy where only a few of us do spectacularly well? Or are we going to build an economy where everyone who works hard has a chance to get ahead?

And that was the focus of my State of the Union Address a couple weeks ago, what I called middle class economics: the idea that this country does best when everybody gets a fair shot and everybody is doing their fair share and everybody plays by the same set of rules.

The budget that Congress now has in its hands is built on those values. It helps working families' paychecks go farther by treating things like paid sick leave and childcare as the economic priorities that they are. It gives Americans of every age the chance to upgrade their skills so they can earn higher wages, and it includes my plan to make 2 years of community

college free for responsible students. It lets us keep building the world's most attractive economy for high-wage jobs, with new investments in research and infrastructure and manufacturing, as well as expanded access to faster Internet and new markets for goods made in America.

It's also a budget that recognizes that our economy flourishes when America is safe and secure. So it invests in our IT networks to protect them from malicious actors. It supports our troops and strengthens our border security. And it gives us the resources to confront global challenges, from ISIL to Russian aggression.

Now, since I took office, we have cut our deficits by about two-thirds. I'm going to repeat that, as I always do when I mention this fact, because the public oftentimes, if you ask them, thinks that the deficit has shot up. Since I took office, we have cut our deficits by about two-thirds. That's the fastest period of sustained deficit reduction since after the demobilization at the end of World War II. So we can afford to make these investments while remaining fiscally responsible. And in fact, we cannot afford—we would be making a critical error if we avoided making these investments. We can't afford not to. When the economy is doing well, we're making investments when we're growing. That's part of what keeps deficits low, because the economy is doing well. So we've just got to be smarter about how we pay for our priorities, and that's what my budget does.

At the end of 2013, I signed a bipartisan budget agreement that helped us end some of the arbitrary cuts known in Washington—speak as "sequestration." And folks here at DHS know a little too much about sequestration—[laughter]—because many of you had to deal with those cuts and the uncertainty around them and it made it a lot harder for you to do your jobs.

The 2013 agreement to reverse some of those cuts helped to boost our economic growth. Part of the reason why we grew faster last year was we were no longer being burdened by mindless across-the-board cuts, and we were being more strategic about how we handled our Federal budget. And now we need to take the next step. So my budget will end sequestration and fully reverse the cuts to domestic priorities in 2016. And it will match the investments that were made domestically, dollar for dollar, with increases in our defense funding.

And just last week, top military officials told Congress that if Congress does nothing to stop sequestration, there could be serious consequences for our national security, at a time when our military is stretched on a whole range of issues. And that's why I want to work with Congress to replace mindless austerity with smart investments that strengthen America. And we can do so in a way that is fiscally responsible.

I'm not going to accept a budget that locks in sequestration going forward. It would be bad for our security and bad for our growth. I will not accept a budget that severs the vital link between our national security and our economic security. I know there's some on Capitol Hill who would say, well, we'd be willing to increase defense spending, but we're not going to increase investments in infrastructure, for example, or basic research. Well, those two things go hand in hand. If we don't have a vital infrastructure, if we don't have broadband lines across the country, if we don't have a smart grid, all that makes us more vulnerable. America can't afford being shortsighted, and I'm not going to allow it.

The budget I've sent to Congress today is fully paid for, through a combination of smart spending cuts and tax reforms. Let me give you an example. Right now our Tax Code is full of loopholes for special interests, like the trust fund loophole that allows the wealthiest Americans

to avoid paying taxes on their unearned income. I think we should fix that and use the savings to cut taxes for middle class families. That would be good for our economy.

Now, I know there are Republicans who disagree with my approach. And I've said this before: If they have other ideas for how we can keep America safe, grow our economy, while helping middle class families feel some sense of economic security, I welcome their ideas. But their numbers have to add up. And what we can't do is play politics with folks' economic security or with our national security. You, better than anybody, know what the stakes are. The work you do hangs in the balance.

And just a few weeks from now, funding for Homeland Security will run out. That's not because of anything this Department did, it's because the Republicans in Congress who funded everything in Government through September, except for this Department. And they're now threatening to let Homeland Security funding expire because of their disagreement with my actions to make our immigration system smarter, fairer, and safer.

Now, let's be clear, I think we can have a reasonable debate about immigration. I'm confident that what we're doing is the right thing and the lawful thing. I understand they may have some disagreements with me on that, although I should note that a large majority—or a large percentage of Republicans agree that we needed comprehensive immigration reform and were prepared to act in the Senate and should have acted in the House. But if they don't agree with me, that's fine, that's how our democracy works. You may have noticed, they usually don't agree with me. [*Laughter*] But don't jeopardize our national security over this disagreement.

As one Republican put it, if they let your funding run out, "it's not the end of the world." That's what they said. Well, I guess literally that's not—that's true; it may not be the end of the world. But until they pass a funding bill, it is the end of a paycheck for tens of thousands of frontline workers who will continue to get—to have to work without getting paid: over 40,000 Border Patrol and Customs agents, over 50,000 airport screeners, over 13,000 immigration officers, over 40,000 men and women in the Coast Guard. These Americans aren't just working to keep us safe, they have to take care of their own families. The notion that they would get caught up in a disagreement around policy that has nothing to do with them makes no sense.

And if Republicans let Homeland Security funding expire, it's the end to any new initiatives in the event that a new threat emerges. It's the end of grants to States and cities that improve local law enforcement and keep our communities safe. The men and women of America's homeland security apparatus do important work to protect us, and Republicans and Democrats in Congress should not be playing politics with that.

We need to fund the Department, pure and simple. We've got to put politics aside, pass a budget that funds our national security priorities at home and abroad and gives middle class families the security they need to get ahead in the new economy. This is one of our most basic and most important responsibilities as a government. So I'm calling on Congress to get this done.

Every day, we count on people like you to keep America secure. And you are counting on us as well to uphold our end of the bargain. You're counting on us to make sure that you've got the resources to do your jobs safely and efficiently and that you're able to look after your families while you are out there working really hard to keep us safe.

We ask a lot of you. The least we can do is have your backs. That's what I'm going to keep on doing for as long as I have the honor of serving as your President. I have your back. And I'm going to keep on fighting to make sure that you get the resources you deserve. I'm going to

keep fighting to make sure that every American has the chance not just to share in America's success, but to contribute to America's success. That's what this budget is about.

It reflects our values in making sure that we are making the investments we need to keep America safe, to keep America growing, and to make sure that everybody is participating no matter what they look like, where they come from, no matter how they started in life, they've got a chance to get ahead in this great country of ours. That's what I believe. That's what you believe. Let's get it done.

Thank you. God bless you. God bless the United States of America.

NOTE: The President spoke at 11:27 a.m. at the Department of Homeland Security. In his remarks, he referred to Rep. Mario Diaz-Balart. He also referred to the Islamic State of Iraq and the Levant (ISIL) terrorist organization.

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