

Remarks on the Federal Budget and an Exchange With Reporters
March 4, 2014

The President. Good morning, everybody. I am here at Powell Elementary School and just had a chance to see some of the outstanding students here. And I thought it was an appropriate for me to say a few words about the budget that I sent to Congress this morning. Because obviously, the budget is not just about numbers, it's about our values, and it's about our future and how well we are laying the groundwork for those young children that I was with just a few moments ago to be able to succeed here in America. These kids may not be the most excited people in town on budget day, but my budget is designed with their generation and future generations in mind.

In my State of the Union Address, I laid out an agenda to restore opportunity for all people, to uphold the principle that no matter who you are, no matter where you started, you can make it if you try here in America.

This opportunity agenda is built on four parts: more good jobs at good wages, making sure that we're training workers with the skills they need to get those good jobs, guaranteeing every child access to a world-class education, and making sure that our economy is one in which hard work is rewarded.

The budget I sent Congress this morning lays out how we'll implement this agenda in a balanced and responsible way. It's a roadmap for creating jobs with good wages and expanding opportunity for all Americans. And at a time when our deficits have been cut in half, it allows us to meet our obligations to future generations without leaving them a mountain of debt. This budget adheres to the spending levels that both parties in both Houses of Congress already agreed to. But it also builds on that progress with what we're calling an Opportunity, Growth, and Security Initiative that invests in our economic priorities in a smart way that is fully paid for by making smart spending cuts and closing tax loopholes that right now only benefit the well off and the well connected.

I'll give you an example. Right now our tax system provides benefits to wealthy individuals who save, even after they've amassed multimillion-dollar retirement accounts. By closing that loophole, we can help create jobs and grow the economy and expand opportunity without adding a dime to the deficit.

We know that the country that wins the race for new technologies will win the race for new jobs, so this budget creates 45 high-tech manufacturing hubs where businesses and universities will partner to turn groundbreaking research into new industries and new jobs made in America.

We know—and this is part of the reason why we're here today—that education has to start at the earliest possible ages. So this budget expands access to the kind of high-quality preschool and other early learning programs to give all of our childrens the same kinds of opportunities that those wonderful children that we just saw are getting right here at Powell.

We know that while not all of today's good jobs are going to require a 4-year college degree, more and more of them are going to require some form of higher education or specialized training. So this budget expands apprenticeships to connect more ready-to-work Americans with ready-to-be-filled jobs.

And we know that future generations will continue to deal with the effects of a warming planet, so this budget proposes a smarter way to address the costs of wildfires. And it includes over \$1 billion in new funding for new technologies to help communities prepare for a changing climate today and set up incentives to build smarter and more resilient infrastructure.

We also know that the most effective and historically bipartisan ways to reduce poverty and help hard-working families pull themselves up is the earned-income tax credit. Right now it helps about half of all parents in America at some point in their lives. This budget gives millions more workers the opportunity to take advantage of the tax credit. And it pays for it by closing loopholes like the ones that let wealthy individuals classify themselves as a small business to avoid paying their fair share of taxes.

This budget will also continue to put our fiscal house in order over the long term, not by putting the burden on folks who can least afford it, but by reforming our Tax Code and our immigration system and building on the progress that we've made to reduce health care costs under the Affordable Care Act. And it puts our debt on a downward path as a share of our total economy, which independent experts have set as a critical target for fiscal responsibility.

As I said at the outset, our budget is about choices. It's about our values. As a country, we've got to make a decision if we're going to protect tax breaks for the wealthiest Americans, or if we're going to make smart investments necessary to create jobs and grow our economy and expand opportunity for every American. At a time when our deficits are falling at the fastest rate in 60 years, we've got to decide if we're going to keep squeezing the middle class or if we're going to continue to reduce the deficits responsibly, while taking steps to grow and strengthen the middle class.

The American people have made clear time and again which approach they prefer. That's the approach that my budget offers. That's why I'm going to fight for it this year and in the years to come as President. Thank you very much, everybody.

Q. Mr. President?

The President. Yes, Mike [Mike Dorning, Bloomberg News].

Ukraine/President Vladimir Vladimirovich Putin of Russia

Q. Do you have any response to President Putin's press conference this morning? Is Chancellor Merkel right that he's lost touch with reality? And have you spoken with him again personally?

The President. I haven't spoken to him since I spoke to him this past weekend. But obviously, me and my national security team have been watching events unfolding in Ukraine very closely. I met with them again today. As many of you know, John Kerry is in Kiev as we speak, at my direction. He's expressing our full support for the Ukrainian people.

Over the past several weeks, we are—we've been working with our partners and with the IMF to build international support for a package that helps to stabilize Ukraine's economy. And today we announced a significant package of our own to support the Ukraine's economy and also to provide them with the technical assistance that they need. So it includes a planned loan guarantee package of \$1 billion. It provides immediate technical expertise to Ukraine to repair its economy. And importantly, it provides for assistance to help Ukraine plan for elections that are going to be coming up very soon.

As I said yesterday, it is important that Congress stand with us. I don't doubt the bipartisan concern that's been expressed by the situation in the Ukraine. There is something immediately Congress can do to help us, and that is to help finance the economic package that can stabilize the economy in Ukraine, help to make sure that fair and free elections take place very soon, and as a consequence, helps to deescalate the crisis.

In the meantime, we're consulting with our international allies across the board. Together, the international community has condemned Russia's violation of the territorial integrity and sovereignty of Ukraine. We've condemned their intervention in Crimea. And we are calling for a deescalation of the situation and international monitors that can go into the country right away.

And above all, we believe that the Ukrainian people should be able to decide their own future, which is why the world should be focused on helping them stabilize the situation economically and move towards the fair and free elections that are currently scheduled to take place in May.

There have been some reports that President Putin is pausing for a moment and reflecting on what's happened. I think that we've all seen that—from the perspective of the European Union, the United States, allies like Canada and Japan, and allies and friends and partners around the world—there is a strong belief that Russia's action is violating international law. I know of—President Putin seems to have a different set of lawyers making a different set of interpretations, but I don't think that's fooling anybody.

I think everybody recognizes that although Russia has legitimate interests in what happens in a neighboring state, that does not give it the right to use force as a means of exerting influence inside of that state. We have said that if, in fact, there is any evidence out there that Russian speakers or Russian natives or Russian nationals are in any way being threatened, there are ways of dealing with that through international mechanisms. And we're prepared to make sure that the rights of all Ukrainians are upheld. And in fact, in conversations that we've had with the Government in Kiev, they have been more than willing to work with the international community and with Russia to provide such assurances.

So the fact that we are still seeing soldiers out of their barracks in Crimea is an indication to which what's happening there is not based on actual concern for Russian nationals or Russian speakers inside of Ukraine, but is based on Russia seeking—through force—to exert influence on a neighboring country. That is not how international law is supposed to operate.

I would also note, just the way that some of this has been reported, that there's a suggestion somehow that the Russian actions have been clever strategically. I actually think that this has not been a sign of strength, but rather, is a reflection that countries near Russia have deep concerns and suspicions about this kind of meddling, and if anything, it will push many countries further away from Russia.

There is the ability for Ukraine to be a friend of the West's and a friend of Russia's as long as none of us are inside of Ukraine trying to meddle and intervene—certainly not militarily—with decisions that properly belong to the Ukrainian people. And that's the principle that John Kerry is going to be speaking to during his visit. I'll be making additional calls today to some of our key foreign partners, and I suspect I'll be doing that all week and in through the weekend.

But as I indicated yesterday, the course of history is for people to want to be free to make their own decisions about their own futures. And the international community, I think, is unified in believing that it is not the role of an outside force—where there's been no evidence

of serious violence, where there's been no rationale under international law—to intervene in people trying to determine their own destiny.

So we stand on the side of history that I think more and more people around the world deeply believe in: the principle that a sovereign people, an independent people are able to make their own decisions about their own lives. And Mr. Putin can throw a lot of words out there, but the facts on the ground indicate that right now he's not abiding by that principle. There is still the opportunity for Russia to do so, working with the international community to help stabilize the situation.

And we've sent a clear message that we are prepared to work with anybody if their genuine interest is making sure that Ukraine is able to govern itself. And as I indicated before—and something that I think has not been emphasized enough—they are currently scheduled to have elections in May. And everybody in the international community should be invested in making sure that the economic deterioration that's happened in Ukraine stops, but also that these elections proceed in a fair and free way in which all Ukrainians, including Russian speakers inside of Ukraine, are able to express their choice of who should lead them.

And if we have a strong, robust, legitimate election, then there shouldn't be any question as to whether the Ukrainian people are—govern themselves without the kinds of outside interference that we see Russia exerting.

All right? Thank you very much, everybody.

NOTE: The President spoke at 11:38 a.m. at Powell Elementary School.

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