

I think they're wrong. We already tried it that way for most of the last decade, and it didn't work. We're still paying for trillions of dollars in tax cuts that benefited the wealthiest Americans more than anyone else, tax cuts that didn't lead to the rise in wages and middle class jobs that we were promised and that helped take us from record surpluses to record deficits.

The last thing we need right now is more top-down economics. What we need are policies that will grow and strengthen the middle class, that will help create jobs, make education and training more affordable, and encourage businesses to start up and stay right here in the United States.

Soon, we'll face a choice between these two different approaches. On January 1, taxes are set to go up for tens of millions of Americans. I think that would be a huge financial hit for middle class families. That's why I've cut middle class taxes every year that I've been President, by \$3,600 for the typical family. And that's why, this week, I called on Congress to immediately stop the January 1 tax hike from hitting any American on the first \$250,000 of their income.

Under my plan, 98 percent of American families won't see their income taxes go up at all. But the other 2 percent of Americans will have to pay a little more on taxes on anything they make over \$250,000. In other words, the wealthiest few Americans will go back to the income tax rates they were paying under Bill Clinton. And if you remember, that was when our economy created nearly 23 million new jobs, the biggest budget surplus in history, and millionaires were doing pretty well to boot.

The folks in Congress and on the campaign trail who oppose this plan warn that it would somehow hurt small businesses and job creators. Well, they're completely ignoring the facts.

Under my plan, 97 percent of small-business owners would avoid getting hit with any income tax hike whatsoever. In fact, I've cut taxes for small businesses 18 times since I've been President. And just this week, I ordered a series of new steps to help our small businesses grow and hire.

So the only place Republicans and I disagree is whether we keep giving tax cuts to the wealthiest 2 percent of Americans. Republicans in Washington want more of those tax cuts. With the deficit we have, I don't think we can afford them.

But even if we disagree on the tax cuts for the wealthiest Americans, we all agree that no American should pay more taxes on the first \$250,000 of their income. So let's at least agree to do what we all agree on. That's what compromise is all about. Let's not hold the vast majority of Americans and our entire economy hostage while we debate the merits of another tax cut for the wealthy. Let's skip the unnecessary drama, the needless delays, and all the partisan posturing, and let's just do the right thing for the people who sent us here to serve.

And I'm going to keep fighting to make sure we rebuild an economy that rewards work, grows the middle class, and gives new opportunity to those trying to earn their way into the middle class.

Thanks, and have a great weekend.

NOTE: The address was recorded at approximately 3 p.m. on July 12 in the Map Room at the White House for broadcast on July 14. In the address, the President referred to Republican Presidential candidate former Gov. W. Mitt Romney of Massachusetts. The transcript was made available by the Office of the Press Secretary on July 13, but was embargoed for release until 6 a.m. on July 14.

## Remarks at a Campaign Rally in Glen Allen, Virginia July 14, 2012

*The President.* How's it going, Virginia? You know, this feels kind of good. Don't you think?

*Audience members.* Yes!

*The President.* I need to cool off a little bit. It was a little warm. Well, I know these are

some diehard political folks here. Not letting a little rain chase us away.

*Audience members.* No!

*The President.* Although I know this from Michelle: Ladies, I do apologize for your hairdos getting messed up. We're going to have to treat everybody to a little salon visit after this.

So, couple of acknowledgements I want to make real quick. First of all, an outstanding Member of Congress who's looking out for working people every day, Bobby Scott is in the house. State Senator Donald McEachin is here. State Delegate Jennifer McClellan is here. And John Montgomery is here; give him a big round of applause.

Now, I'm just going to cut straight to business. We don't have time for small talk here.

*Audience members.* Four more years! [Laughter]

*The President.* This is my last political campaign. We're term limited as President. And it got me thinking about my first political campaigns. I think about the places I used to travel as a State senator, when I was running for the United States Senate, all across Illinois, which is a lot like Virginia. You've got big cities, but you also have small towns. You've got rural, suburban, urban areas. You'd stop in VFW halls or diners, or you go to churches or synagogues, and you'd meet folks, Black, White, Hispanic, Asian, Native American, you name it. And wherever I went, even if on the surface folks looked different, there was a common thread that ran through their stories. And in those stories I saw my own.

So I'd meet an elderly veteran, and I'd think about my grandfather, who fought in World War II, and my grandmother, who worked on a bomber assembly line while he was away, even though they'd already had my mother. And I'd think about how, when my grandfather came back from Europe, he was able to get a college education on the GI bill and how they'd buy their first home with the help of an FHA loan.

And then, I'd meet a single mom somewhere who was working hard, raising kids, and I'd think about my mom, because my dad left when I was young. And so my mother had to work and go to school at the same time and yet,

despite not having a lot of money, was still able to provide me and my sister with the best education possible and instilled in us a sense that if we worked hard, we could go as far as our dreams would take us.

And then, I'd think about Michelle's parents whenever I'd meet a working family, because Michelle's dad was a blue-collar worker. He had multiple sclerosis. By the time I met him, he could barely walk, in fact, really couldn't walk without two canes.

And he'd have to wake up an hour early—earlier than everybody else—just to get dressed. But he never missed a day on the job. And Michelle's mom, she stayed at home when the kids were young and then found a job as a secretary. And that's the work they did all their lives. They had a little second floor apartment that Michelle and Craig lived in, and yet, despite those modest beginnings, Michelle and her brother were able to get the best possible education.

And so, in these travels that I had in that first campaign, what I was reminded of was that core idea that is central to this country, what makes us exceptional, what makes us great. It's not just how many skyscrapers we have; it's not how powerful our military is. What makes us special is this idea that in this country, if you are willing to work hard, if you're willing to take responsibility for your own life, then you can make it if you try. No matter where you come from, no matter what you look like, no matter what your last name is, no matter how modest your beginnings, you can make it in this country if you work hard. Because America has never been a country of handouts. We're a nation of workers and doers and dreamers and risk takers. We work for what we get. And all we ask for as Americans is that our hard work pays off. All we ask is that our responsibility is rewarded, so that if we put in enough effort, we can find a job that pays the bills, we can afford a home to call our own, we won't go bankrupt when we get sick, maybe we can take a vacation once in a while with our families, nothing fancy.

I was telling folks the other day, when I think about my favorite vacations when I was a

kid, when I was 11 years old my mom, sister, and my grandmom, we traveled across the country. But we didn't fly on jets, we took Greyhound buses. Took the train sometimes. I think we were in the car twice. Stayed at Howard Johnsons. And the exciting thing for me was if there was any kind of swimming pool; it didn't matter how big it was. [Laughter] And then after you spend the whole day swimming, then you'd go to the vending machine, get a soda and a bucket of ice. [Laughter]

But the point was to spend time with folks you loved and enjoy their company. So that was part of it, and then people expect, I think, that they can retire with dignity and respect after a lifetime of work. That's the essence of America, that that is within everybody's grasp. Doesn't mean you're not going to have some ups and downs. Doesn't mean at some point you're not going to experience tough times. But it does mean that the trajectory of people's lives in this country, if you work hard, you can make it. And that's what made us special. That's what made us the greatest nation on Earth. That's what made us an economic superpower.

Now, when I ran in 2008, a lot of people, we came together, not just Democrats, but Republicans and Independents, because we're not Democrats or Republicans first, we're Americans first. And we came together because we felt like that idea had been slipping away for too long. For almost a decade, people had been working harder, but getting less. And then the worst financial crisis in our lifetimes hit, the worst economic crisis in our lifetimes hit, millions of people lost their jobs or lost their homes or lost their savings, and that made the dream that much harder to reach for.

But what I've learned over these last 3½ years is that even though the crisis put us through some very tough times, the American people are tougher. Folks may have gotten knocked down some, but they got back up. The crisis didn't change who we are. It did not change our fundamental character as a people. It hasn't changed our sense of purpose from 2008. Our mission right now, yes, is to put people back to work and, yes, to strengthen the

housing market, but our purpose is also to rebuild our economy so that it lasts, so that work pays off. An economy in which everybody, whether you are starting a business or punching a clock, you can have confidence that if you work hard you can get ahead. That's our goal. That's our central purpose. That's what this campaign's about. That's what I've been working on for the last 3½ years. That's why I'm running for a second term as President of the United States of America.

*Audience members.* Four more years! Four more years! Four more years!

*The President.* Now, I want to say this—

*Audience member.* We love you, Mr. President!

*The President.* Because—[laughter]—because we've gone through tough times, I think there's a tendency sometimes for some of the commentators to say, well, this time it's really different, we're losing our number-one status, and all this stuff. I don't buy any of that. We're still by far the greatest nation on Earth. And what's holding us back from meeting our challenges—

*Audience member.* Congress. [Laughter]

*The President.* What's holding us back from meeting our challenges is not a lack of big ideas; it's not technical solutions. You name it, whatever it is—education, housing, the deficit—we have the solutions in front of us. What's holding us back is we've got a stalemate in Washington that has more to do with—than just two candidates for President or two political parties. It's two fundamentally different visions about how we move this country forward.

This election is about breaking that stalemate. The outcome of this election will determine not just what happens next year or the year after that, but what happens for the next 20 years.

See, my opponent and his allies in Congress, they believe in a top-down economics. They believe that if we spend trillions of dollars on tax cuts—mostly for the wealthy—even if we have to pay for it by gutting education or gutting job training programs or gutting investments in basic research or turning Medicare into a voucher system or increasing middle

class taxes, that if we do that, somehow all of you are going to benefit. That's their idea. They also believe that if we roll back regulations on banks and insurance companies and credit card companies, regulations that are meant to protect people and our economy, that somehow everybody is going to be more secure. That's their basic argument. They'll spend a lot of time talking, but if you cut through all the stuff—[laughter]—what they're really saying is tax cuts for the wealthy, roll back regulations. That's essentially their plan.

Now, it is a plan. I mean, I—it's a theory. It fits easily on a bumper sticker. [Laughter] But here's the problem: We tried it. We tried it for a decade before I took office. It did not work. We tried it, and we turned a surplus into a deficit. We tried it, and we had the most sluggish job growth in decades. We tried it, and your income and wages on average went down—went down—even while the cost of health care and education and gas were all going up. And then it culminated in the worst financial crisis that we're still cleaning up after.

So it's not as if we haven't tried their theory. It would be one thing if we hadn't tried it. Then they could say, well, let's try this. And maybe everybody would say, all right, well, that's worth trying. But we did this, and it didn't work.

We can't afford to go back to top-down economics. We need somebody who believes in a middle-out economics, a bottom-up economics, somebody who will fight for you and working people all across Virginia and all across America. That's why I'm running for a second term as President of the United States.

You know, when the American auto industry was about to go under and my opponent was saying, let's "let Detroit go bankrupt," I made a bet on American workers, on American ingenuity, and we got management and workers to sit down and work things out. And right now GM is number one again, and the U.S. auto industry is back on top.

Well, let me tell you something. What can happen in the auto industry in Detroit, that can happen in manufacturing all across this country, in Richmond and in Raleigh and in Pitts-

burgh and in Cleveland. Which is why I've said, let's stop giving tax breaks to companies that are shipping jobs overseas, let's give tax breaks to companies that are investing right here in the United States of America and investing in American workers, so we can make American products stamped with those three proud words: Made in America. That's how we build an economy that lasts. And that's why I'm running for a second term as President.

Mr. Romney has got a different idea. He invested in companies that have been called "pioneers" of outsourcing. [Laughter] I don't want a pioneer in outsourcing. [Laughter] I want some insourcing. I want to bring companies back. And part of that is making sure we change our Tax Code. Part of it is investing in basic science and research. We've always been at the cutting edge of technology. We've got to keep that. We've got to maintain that.

And you know, 4 years ago, I said I would end the war in Iraq. Because of our veterans, because of our outstanding men and women in uniform, we've been able to keep that promise. We're transitioning out of Afghanistan and starting to bring our troops home. So now my attitude is, after a decade of war, let's take half of those savings on war and let's use that to reduce our deficit. Let's use the other half to do some nation-building here at home. Let's put folks back to work rebuilding our roads and our bridges and our railroads and our schools and putting broadband lines into rural communities all across America. That's how we build an economy that lasts.

That's also, by the way, how we take care of our veterans. Now that they're coming home, they shouldn't have to fight for a job after they fought for us. And they should get the benefits that they've earned. So we'll be fighting any kind of cutbacks on veteran services. We've got to take care of folks who took care of us.

I'm running to make sure that our kids get the best education in the world. I want to help our schools hire and reward the best teachers, especially math and science. I want to give 2 million more Americans the chance to go to community colleges, get trained for the jobs that are—that folks are hiring for right now. I

want colleges and universities to bring down tuition so young people aren't burdened with debt. Higher education isn't a luxury, it is a necessity in this 21st century.

I want to make sure that middle class families can refinance their homes, save \$3,000 a year. That's good for you, but it's also good for businesses, because you'll spend that money.

I'm running because I believe we've got to keep going on the Affordable Care Act. It was the right thing to do to make sure that everybody has health care. The Supreme Court has spoken. It is the law of the land. We are going to implement it. And because we're implementing it, young people can stay on their parents' health insurance plans until they're 26 years old. And if you've got health insurance, the only thing that's going to happen is you've got more security and insurance companies can't jerk you around. And 30 million people, including those with preexisting conditions, can finally get health insurance. It was the right thing to do. We're not going backwards, we're going forwards.

I'm wrapping up. [Laughter] But you're all—everybody's wet anyway, so it doesn't matter. [Laughter] It's too late, those hairdos are all gone. [Laughter] Now—

*Audience members.* Four more years! Four more years! Four more years!

*The President.* Let me talk about one last thing, and that is the deficit and the debt. Because the other side, they'll say, well, you know, this is the most important issue. And what I've said is, you know what, along with putting people back to work, we do need to bring down our deficit and our debt. After a decade of irresponsibility, where I inherited a trillion-dollar deficit, I'm ready to roll up my sleeves and get to work. We've already cut a trillion dollars' worth of spending that we don't need.

I'm willing to do more, because not every program works. Government can't solve every problem. Government can't help somebody if they don't want to help themselves. It doesn't matter how much money we put into schools if, parents, you're not telling your kids they need to work hard in school. But what I'm not willing to do is what my opponent proposes,

which is pretend like you're lowering the deficit and then cut taxes for folks like me by \$5 trillion on top of the Bush tax cuts, because we can't afford it.

What I've said to Congress is, let's make sure that everybody who's making \$250,000 a year or less, that your taxes don't go up. That's 98 percent of Americans. But let's ask folks like me who can afford it, the top 2 percent, to do a little bit more so that we can still help young people go to college, so that we don't turn Medicare into a voucher system, so that we're still investing in basic research, so that we can still build roads and help folks with the housing situation.

And by the way, we've tried that too. A guy named Bill Clinton tried it, and we created 23 million new jobs. And we had surpluses instead of deficits. And by the way, rich people did just fine back then. [Laughter]

Here's the thing I think the other side doesn't understand. When working people do well, everybody does well. That means businesses have more customers. That is how we grow an economy, not by everybody just looking out for themselves, but by all of us coming together and working hard.

Whether—all these things, whether it's bringing manufacturing back, putting construction workers back to work, protecting health care, making sure our kids get the best education, caring for our veterans, all these things that make up a middle class life, they all tie together. They're all central to that idea that if you work hard, you can get ahead. That's the promise that our parents and our grandparents and our great-grandparents made to future generations.

Some of them came here as immigrants; some came here not wanting to come. But—[laughter]—when they got here, all of us—whether they were working on farms or whether they were working in mines or working in—on—you know, in a factory—that idea that if I work hard now, things will be better for my kids, that's what built this country.

And over the next 4 months, the other side's going to spend more money than we've ever seen in our lifetimes on a bunch of negative

ads. And they're going to try to peddle this economic theory that everybody knows we tried and didn't work. And since they know that probably is not going to sell, really what these ads are going to do is just say, the economy isn't where it needs to be, and it's Obama's fault. That's their message. They'll use all those scary voices in the ads and—[laughter]—but that's basically their message.

And that's a plan for maybe winning an election, but it's not a plan for creating jobs or helping the middle class. It's not a plan for rebuilding our economy.

And so I don't worry about the kind of money they're spending because what you taught me in 2008, same thing I learned in my first campaign, was that when ordinary folks come together—when they cut through all the nonsense and they remember what makes this country great, they tap into those core American values and they remember what's true about our lives—when you come together, nothing can stop you. When you come together, change happens. When you come together, people get a fair shot and everybody does their fair share and everybody plays by the same set of rules—when you decide.

And that's the choice you have now in this election. So I have to tell you, when I ran in 2008, I tried to make sure that any promise I made, I could keep. So I said I'd end the war in Iraq; we ended the war. I said I'd keep your taxes down, and I've lowered taxes for middle class families, \$3,600 on average. If somebody tells you I've raised their taxes, tell them that ain't right. [Laughter] It's just not true.

But the main promise I made to you, I said I wasn't a perfect man and I—you can ask Mi-

chelle that, and she'll—[laughter]. And I told you I wouldn't be a perfect President. But I told you that I'd always tell you what I thought, I'd always tell you where I stood, even—sometimes it wasn't popular, but I'd tell you what I thought, what I believed. And I'd also wake up every single day fighting as hard as I knew how for you, to make your lives a little bit better.

And you know what, I've kept that promise. I've kept that promise. Because I see myself in you. When I see your grandparents, I see my grandparents. When I see my children, I see your children. We are in this together. We rise and fall as one Nation. I still believe in you. And if you still believe in me and you stand up with me and make phone calls and knock on doors and get out there and organize with me, we're going to finish what we started in 2008. We're going to win this election. We're going to win Virginia. We're going to put this country on the right track. And we'll remind the world just why it is that the American way is what is the envy of the world and we are the greatest nation on Earth.

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

NOTE: The President spoke at 12:12 p.m. at the Walkerton Tavern and Gardens. In his remarks, he referred to John W. Montgomery, Jr., school board member, Henrico County Public Schools; and Republican Presidential candidate former Gov. W. Mitt Romney of Massachusetts. He also referred to his sister Maya Soetoro-Ng, his mother-in-law Marian Robinson, and his brother-in-law Craig M. Robinson.

## Remarks at a Campaign Rally in Clifton, Virginia July 14, 2012

*The President.* Thank you! Hello, Virginia! All right! Hello, Wildcats!

A couple people I want to just acknowledge—first of all, didn't Stratton do a great job on the introduction? Give him a big round of applause. You've got one of the finest Members of Congress that we've got, Gerry Connol-

ly, in the house. And our candidate for the 10th Congressional District, Kristin Cabral is here. And I want to thank Martin Grimm, the principal of Centreville High.

I just talked to Martin, and I asked him, "How long you been principal?" He said, "Five days." [Laughter] So I said, "Good luck."