

Remarks at the Rodon Group Manufacturing Facility of K’NEX Brands L.P.
in Hatfield, Pennsylvania
November 30, 2012

The President. Hello, everybody! Thank you. Thank you. Well, good morning, everybody.

Audience members. Good morning!

The President. Everybody, please, please have a seat. Have a seat. Relax for a second. [Laughter]

It is good to see all of you. Hello, Hatfield! It is good to be back in Pennsylvania. And it is good to be right here at K’NEX. Now, I want to thank Michael Araten, Robert Glickman, and the inventor of K’NEX, Joel Glickman, for hosting me today and giving me a great tour. Where did they go? Where did they go? I want to—stand up. Stand up so everybody can see you guys. There they are. There you go.

And I just noticed, we’ve got a couple of outstanding Members of Congress here. We’ve got Chaka Fattah and Allyson Schwartz.

Now, I just finished getting a tour of the K’NEX workshop. I have to say, it makes me wish that Joel had invented this stuff a little sooner, when I was a kid. [Laughter] Back then, you couldn’t really build a rollercoaster out of your Erector Set. [Laughter]

And I also got a chance to meet some of the folks who have been working around the clock to keep up with the Christmas rush, and that’s a good thing. These guys are Santa’s extra elves here. They manufacture almost 3,000 K’NEX pieces every minute. And every box that ends up on store shelves in 30 countries is stamped “Made in America.” And that’s something to be proud of. [Applause] That’s something to be proud of.

By the way, I hope the camera folks had a chance to take a look at some of the K’NEX, including that flag made out of K’NEX. And Joe Biden was in Costco; he wanted to buy some of this stuff. [Laughter] But I told him he had too much work to do. I wasn’t going to have him building rollercoasters all day long. [Laughter]

Now, of course, Santa delivers everywhere. I’ve been keeping my own naughty-and-nice list for Washington. So you should keep your

eye on who gets some K’NEX this year. [Laughter] There are going to be some Members of Congress who get them and some who don’t. [Laughter]

But look, this is a wonderful time of year. It’s been a few weeks since a long election finally came to an end. And obviously, I couldn’t be more honored to be back in the White House. But I’m already missing the time that I spent on the campaign visiting towns like this and talking to folks like you.

Audience member. We love you!

The President. I love you back. That’s why I miss you.

And one of the benefits of traveling and getting out of the White House is it gives you a chance to have a conversation with the American people about what kind of country do we want to be and what kind of country do we want to leave to our kids.

I believe America only thrives when we have a strong and growing middle class. And I believe we’re at our best when everybody who works hard has a chance to get ahead. That’s what I believe. And I know that’s what the founders of this company believe as well. We were talking about these guys’ dad, who I understand just passed away at the age of 101. So these guys have good genes in addition to inventive minds. [Laughter] And the story of generations starting businesses, hiring folks, making sure that if you work hard, you can get ahead, that’s what America is all about. And that’s at the heart of the plan that I’ve been talking about all year.

I want to reward manufacturers like this one and small businesses that create jobs here in the United States, not overseas. I want to—and by the way, this is a company—one of the few companies in the toy industry that have aggressively moved jobs back here. That’s a great story to tell because we’ve got the best workers in the world and the most productive workers in the world, and so we need champions for

American industry creating jobs here in the United States.

I want to give more Americans the chance to earn the skills that businesses are looking for right now, and I want to give our children the kind of education that they need in the 21st century. I want America to lead the world in research and technology and clean energy. I want to put people back to work rebuilding our roads and our bridges and our schools. And I want to do all this while bringing down our deficits in a balanced and responsible way.

Now, on this last point, you've probably heard a lot of talk in Washington and in the media about the deadlines that we're facing on jobs and taxes and investment. This is not some run-of-the-mill debate. This isn't about which political party can come out on top in negotiations. We've got important decisions to make that are going to have a real impact on businesses and families all across the country.

Our ultimate goal—our long-term goal—is to get our long-term deficit under control in a way that is balanced and is fair. That would be good for businesses, for our economy, for future generations. And I believe both parties can—and will—work together in the coming weeks to get that done. We know how that gets done. We're going to have to raise a little more revenue. We've got to cut out spending we don't need, building on the trillion dollars of spending cuts we've already made. And if we combine those two things, we can create a path where America is paying its bills while still being able to make investments in the things we need to grow like education and infrastructure. So we know how to do that.

But in Washington, nothing is easy, so there is going to be some prolonged negotiations. And all of us are going to have to get out of our comfort zones to make that happen. I'm willing to do that, and I'm hopeful that enough Members of Congress in both parties are willing to do that as well. We can solve these problems. But where the clock is really ticking right now is on middle class taxes. At the end of the year, middle class taxes that are currently in place are set to expire. Middle class tax cuts that are currently in place are set to expire.

There are two things that can happen. If Congress does nothing, every family in America will see their income taxes automatically go up on January 1. Every family, everybody here, you'll see your taxes go up on January 1. I mean, I'm assuming that doesn't sound too good to you.

Audience members. No!

The President. That's sort of like the lump of coal you get for Christmas. [*Laughter*] That's a Scrooge Christmas. A typical middle class family of four would see their income taxes go up by about \$2,200. That's for a typical family; it would be more for some folks. That's money a lot of families just can't afford to lose. That's less money to buy gas, less money to buy groceries. In some cases, it means tougher choices between paying the rent and saving for college. It means less money to buy more K'NEX.

Audience members. Boo! [*Laughter*]

The President. Yes. [*Laughter*] Just the other day, economists said that if income taxes go up on the middle class, people will spend nearly \$200 billion less in stores and online. And when folks are buying fewer clothes or cars or toys, that's not good for our businesses, it's not good for our economy, it's not good for employment.

So that's one path: Congress does nothing; we don't deal with this looming tax hike on middle class families; and starting in January, everybody gets hit with this big tax hike and businesses suddenly see fewer customers, less demand. The economy, which we've been fighting for 4 years to get out of this incredible economic crisis that we have, it starts stalling again. So that's one path.

The good news is there's a second option. Right now Congress can pass a law that would prevent a tax hike on the first \$250,000 of everybody's income—everybody. So that means 98 percent of Americans, 97 percent of small businesses wouldn't see their income taxes go up by a single dime, right? Because 98 percent of Americans make \$250,000 a year or less; 97 percent of small businesses make \$250,000 a year or less. So if you say income taxes don't go up for any income above \$250,000, the vast

majority of Americans, they don't see a tax hike.

But here's the thing. Even the top 2 percent, even folks who make more than \$250,000, they'd still keep their tax cut on the first \$250,000 of income. So it would still be better off for them too for us to go ahead and get that done. Families would have a sense of security going into the new year. Companies like this one would know what to expect in terms of planning for next year and the year after. That means people's jobs would be secure.

The sooner Congress gets this done, the sooner our economy will get a boost. And it would then give us in Washington more time to work together on that long-range plan to bring down deficits in a balanced way: tax reform, working on entitlements, and asking the wealthiest Americans to pay a little bit more so we can keep investing in things like education and research that make us strong.

All right? So those are the choices that we have. And understand, this was a central question in the election, maybe the central question in the election. You remember. We talked about this a lot. [Laughter] It wasn't like this should come to anybody—a surprise to anybody. We had debates about it. There were a lot of TV commercials about it. And at the end of the day, a clear majority of Americans—Democrats, Republicans, Independents—they agreed with a balanced approach to deficit reduction and making sure that middle class taxes don't go up. Folks agreed to that.

Now, the good news is, we're starting to see a few Republicans coming around to it too; I'm talking about Republicans in Congress. So the reason I'm here is because I want the American people to urge Congress soon, in the next week, the next 2 weeks, to begin the work we have by doing what we all agree on. Both parties agree that we should extend the middle class tax cuts. We've got some disagreements about the high-end tax cuts, right? Republicans want to—don't want to raise taxes on folks like me; I think I can pay a little bit more to make sure that kids can go to college and we can build roads and invest in NIH so that we're finding cures for Alzheimer's. And that's a dis-

agreement that we're going to have and we've got to sort out.

But we already all agree, we say, on making sure middle class taxes don't go up, so let's get that done. Let's go ahead and take the fear out for the vast majority of American families so they don't have to worry about \$2,000 coming out of their pockets starting next year.

The Senate has already passed a bill to keep income taxes from going up on middle class families. That's already passed the Senate. Your Members of Congress, like Allyson and Chaka, other Democrats in the House, they're ready to go. They're ready to vote on that same thing. And if we can just get a few House Republicans onboard, we can pass the bill in the House. It will land on my desk, and I am ready; I've got a bunch of pens ready to sign this bill. [Laughter] I'm ready to sign it. [Applause] I'm ready to sign it. There are no shortage of pens in the White House. [Laughter] And I carry one around for an emergency just in case, just waiting for the chance to use it to sign this bill to make sure people's taxes don't go up. But——

Audience member. Thank you!

The President. Well, don't thank me yet, because I haven't signed it. [Laughter] I need some help from Congress.

So the key is, though, that the American people have to be involved. It's not going to be enough for me to just do this on my own. So I'm hopeful that both sides are going to come together and do the right thing, but we all know you can't take anything for granted when it comes to Washington. Let's face it. And that's why I'm going to be asking for all of you to make your voices heard over the next few days and the next couple of weeks.

I need you to remind Members of Congress—Democrats and Republicans—to not get bogged down in a bunch of partisan bickering, but let's go ahead and focus on the people who sent us to Washington and make sure that we're doing the right thing by them.

So I want you to call, I want you to send an e-mail, post on their Facebook wall. If you tweet, then use a hashtag we're calling #My2K. Not "Y2K," "My2K," all right? Because it's about

your 2K in your pocket. [Laughter] We're trying to burn that into people's minds here.

So, in the meantime, I'm doing my part. I'm meeting with every constituency group out there. We're talking to CEOs. We're talking to labor groups. We're talking to civic groups. I'm talking to media outlets, just explaining to the American people, this is not that complicated. Let's make sure that middle class taxes don't go up. Let's get that done in the next couple of weeks.

Let's also work together on a fair and balanced, responsible plan so that we are paying our bills, we're not spending on things we don't need, but we are still spending on the things that make us grow. That's the kind of fair, balanced, responsible plan that I talked about during the campaign, and that's what the majority of Americans believe in.

So I'm hopeful, but I'm going to need folks like you—the people here in Hatfield and here in Pennsylvania and all across the country—to get this done. And a lot's riding on this debate. This is too important to our economy—it's too important for our families—to not get it done. And it's not acceptable to me, and I don't think it's acceptable to you, for just a handful of Republicans in Congress to hold middle class tax

cuts hostage simply because they don't want tax rates on upper income folks to go up. All right? That doesn't make sense.

If your voices are heard, then we can help businesses like this one. We're going to sell a whole bunch of K'NEX. [Laughter] Let's give families all across America the kind of security and certainty that they deserve during the holiday season. Let's keep our economy on the right track. Let's stand up for the American belief that each of us have our own dreams and aspirations, but we're also in this together, and we can work together in a responsible way; that we're one people and we're one Nation.

That's what this country is about. That's what all of you deserve. That's what I'm fighting for every single day, and I will keep fighting for as long as I have the privilege of being your President.

Thank you very much, everybody. God bless you. God bless the America.

NOTE: The President spoke at 12:01 p.m. In his remarks, he referred to Michael Araten, president and chief executive officer, Robert Glickman, vice chairman/chief counsel, and Joel Glickman, chairman, K'NEX Brands L.P. He also referred to S. 3412.

The President's Weekly Address

December 1, 2012

Hi, everybody. I'm here on the factory floor of a business in Hatfield, Pennsylvania, where folks are working around the clock making toys to keep up with the Christmas rush. And I came here because, back in Washington, the clock is ticking on some important decisions that will have a real impact on our businesses and on families like yours.

The most pressing decision has to do with your taxes. See, at the end of the year, middle class tax cuts are set to expire. And there are two things that can happen.

First, if Congress does nothing, every family will see their income taxes automatically go up at the beginning of next year. A typical middle class family of four will see their income taxes rise by \$2,200. We can't let that happen. Our

families can't afford it, and neither can our economy.

The second option is better. Right now Congress can pass a law that would prevent a tax hike on the first \$250,000 of everybody's income—everybody. That means that 98 percent of Americans and 97 percent of small businesses wouldn't see their income taxes go up at all. And even the wealthiest Americans would get a tax cut on the first \$250,000 of their income.

Congress can do that right now. They can give families like yours a sense of security going into the new year. They can give companies like this one some certainty about what to expect down the road. And with the issue behind us, we'll have more time to work out a plan to bring down our deficits in a balanced way,