

## Statement on Senate Passage of Tax Reform Legislation *January 1, 2013*

Leaders from both parties in the Senate came together to reach an agreement that passed with overwhelming bipartisan support today that protects 98 percent of Americans and 97 percent of small-business owners from a middle class tax hike. While neither Democrats nor Republicans got everything they wanted, this agreement is the right thing to do for our country, and the House should pass it without delay.

This agreement will also grow the economy and shrink our deficits in a balanced way: by investing in our middle class and by asking the wealthy to pay a little more.

What's more, today's agreement builds on previous efforts to reduce our deficits. Last year, I worked with Democrats and Republicans to cut spending by more than \$1 trillion. Tonight's agreement does even more by asking

millionaires and billionaires to begin to pay their fair share for the first time in 20 years. As promised, that increase will be immediate, and it will be permanent.

There's more work to do to reduce our deficits, and I'm willing to do it. But tonight's agreement ensures that, going forward, we will continue to reduce the deficit through a combination of new spending cuts and new revenues from the wealthiest Americans. And as we address our ongoing fiscal challenges, I will continue to fight every day on behalf of the middle class and all those fighting to get into the middle class to forge an economy that grows from the middle out, not from the top down.

NOTE: The statement referred to H.R. 8.

## Remarks on Congressional Passage of Tax Reform Legislation *January 1, 2013*

*The President.* Happy New Year, everybody.

*Audience members.* Happy New Year, Mr. President.

*The President.* A central promise of my campaign for President was to change the Tax Code that was too skewed towards the wealthy at the expense of working middle class Americans. Tonight we've done that. Thanks to the votes of Democrats and Republicans in Congress, I will sign a law that raises taxes on the wealthiest 2 percent of Americans while preventing a middle class tax hike that could have sent the economy back into recession and obviously had a severe impact on families all across America.

I want to thank all the leaders of the House and Senate. In particular, I want to thank the work that was done by my extraordinary Vice President, Joe Biden, as well as Leader Harry Reid, Speaker Boehner, Nancy Pelosi, and Mitch McConnell. Everybody worked very

hard on this, and I appreciate it. And, Joe, once again, I want to thank you for your great work.

Under this law, more than 98 percent of Americans and 97 percent of small businesses will not see their income taxes go up. Millions of families will continue to receive tax credits to help raise their kids and send them to college. Companies will continue to receive tax credits for the research that they do, the investments they make, and the clean energy jobs that they create. And 2 million Americans who are out of work, but out there looking, pounding the pavement every day, are going to continue to receive unemployment benefits as long as they're actively looking for a job.

But I think we all recognize, this law is just one step in the broader effort to strengthen our economy and broaden opportunity for everybody. The fact is, the deficit is still too high, and we're still investing too little in the things

that we need for the economy to grow as fast as it should.

And that's why Speaker Boehner and I originally tried to negotiate a larger agreement that would put this country on a path to paying down its debt while also putting Americans back to work rebuilding our roads and bridges and providing investments in areas like education and job training. Unfortunately, there just wasn't enough support or time for that kind of large agreement in a lame duck session of Congress. And that failure comes with a cost, as the messy nature of the process over the past several weeks has made business more uncertain and consumers less confident.

But we are continuing to chip away at this problem, step by step. Last year, I signed into law \$1.7 trillion in deficit reduction. Tonight's agreement further reduces the deficit by raising \$620 billion in revenue from the wealthiest households in America. And there will be more deficit reduction as Congress decides what to do about the automatic spending cuts that we have now delayed for 2 months.

I want to make this point: As I've demonstrated throughout the past several weeks, I am very open to compromise. I agree with Democrats and Republicans that the aging population and the rising cost of health care makes Medicare the biggest contributor to our deficit. I believe we've got to find ways to reform that program without hurting seniors who count on it to survive. And I believe that there's further unnecessary spending in Government that we can eliminate.

But we can't simply cut our way to prosperity. Cutting spending has to go hand in hand with further reforms to our Tax Code so that the wealthiest corporations and individuals can't take advantage of loopholes and deductions that aren't available to most Americans. And we can't keep cutting things like basic research and new technology and still expect to succeed in a 21st-century economy. So we're going to have to continue to move forward in deficit reduction, but we have to do it in a balanced way, making sure that we are growing even as we get a handle on our spending.

Now, one last point I want to make: While I will negotiate over many things, I will not have another debate with this Congress over whether or not they should pay the bills that they've already racked up through the laws that they passed. Let me repeat: We can't not pay bills that we've already incurred. If Congress refuses to give the United States Government the ability to pay these bills on time, the consequences for the entire global economy would be catastrophic, far worse than the impact of a fiscal cliff.

People will remember, back in 2011, the last time this course of action was threatened, our entire recovery was put at risk. Consumer confidence plunged. Business investment plunged. Growth dropped. We can't go down that path again.

Now, today's agreement enshrines, I think, a principle into law that will remain in place as long as I am President: The deficit needs to be reduced in a way that's balanced. Everyone pays their fair share. Everyone does their part. That's how our economy works best. That's how we grow.

The sum total of all the budget agreements we've reached so far proves that there is a path forward, that it is possible if we focus not on our politics, but what's—but on what's right for the country. And the one thing that, I think, hopefully, in the new year we'll focus on is seeing if we can put a package like this together with a little bit less drama, a little less brinkmanship, not scare the heck out of folks quite as much.

We can come together as Democrats and Republicans to cut spending and raise revenue in a way that reduces our deficit, protects our middle class, provides ladders into the middle class for everybody who's willing to work hard. We can find a way to afford the investments that we need to grow and compete. We can settle this debate, or at the very least, not allow it to be so all-consuming all the time that it stops us from meeting a host of other challenges that we face: creating jobs, boosting incomes, fixing our infrastructure, fixing our immigration system, protecting our planet from the harmful effects of climate change, boosting

domestic energy production, protecting our kids from the horrors of gun violence.

It's not just possible to do these things, it's an obligation to ourselves and to future generations. And I look forward to working with every single Member of Congress to meet this obligation in the new year.

And I hope that everybody now gets at least a day off, I guess, or a few days off, so that peo-

ple can refresh themselves, because we're going to have a lot of work to do in 2013.

Thanks, everybody. Happy New Year.

NOTE: The President spoke at 11:20 p.m. in the James S. Brady Press Briefing Room at the White House. In his remarks, he referred to H.R. 8.

## Statement on Funding for Hurricane Sandy Recovery Efforts *January 2, 2013*

It has only been 2 months since Hurricane Sandy devastated communities across New York, New Jersey, and Connecticut, as well as other eastern States. Our citizens are still trying to put their lives back together. Our States are still trying to rebuild vital infrastructure. And so last month, working closely with the Governors of the affected States, I sent Congress an urgent request to support their efforts to rebuild and recover. The Senate passed this request with bipartisan support. But the House of Representatives has refused to act, even as there are families and communities who still

need our help to rebuild in the months and years ahead and who also still need immediate support with the bulk of winter still in front of us.

When tragedy strikes, Americans come together to support those in need. I urge Republicans in the House of Representatives to do the same, bring this important request to a vote today, and pass it without delay for our fellow Americans.

NOTE: The statement referred to H.R. 1.

## Statement on Signing the National Defense Authorization Act for Fiscal Year 2013

*January 2, 2013*

Today I have signed into law H.R. 4310, the "National Defense Authorization Act for Fiscal Year 2013." I have approved this annual defense authorization legislation, as I have in previous years, because it authorizes essential support for service members and their families, renews vital national security programs, and helps ensure that the United States will continue to have the strongest military in the world.

Even though I support the vast majority of the provisions contained in this Act, which is comprised of hundreds of sections spanning more than 680 pages of text, I do not agree with them all. Our Constitution does not afford the President the opportunity to approve or reject statutory sections one by one. I am empowered either to sign the bill, or reject it, as a

whole. In this case, though I continue to oppose certain sections of the Act, the need to renew critical defense authorities and funding was too great to ignore.

In a time when all public servants recognize the need to eliminate wasteful or duplicative spending, various sections in the Act limit the Defense Department's ability to direct scarce resources towards the highest priorities for our national security. For example, restrictions on the Defense Department's ability to retire unneeded ships and aircraft will divert scarce resources needed for readiness and result in future unfunded liabilities. Additionally, the Department has endeavored to constrain manpower costs by recommending prudent cost sharing reforms in its health care programs. By