

June 9, 2008

## Obama Delivers Speech on Economy

The following is the text of Barack Obama's speech in Raleigh, N.C., as prepared for delivery and provided by his campaign.

Before we begin, I just want to take a minute to thank Senator Clinton for the kind and generous support she offered on Saturday. She ran an historic campaign that shattered barriers on behalf of my daughters and women everywhere who now know there are no limits to their dreams. And more, she inspired millions of women and men with her strength, her courage, and her unyielding commitment to the causes that brought us here today – the hopes and aspirations of working Americans.

Our party and our country are stronger because of the work she has done throughout her life, and I look forward to working with her in these coming months and years to lay out the case for change and set a new course for this country.

I've often said that this election represents a defining moment in our history. On major issues like the war in Iraq or the warming of our planet, the decisions we make in November and over the next few years will shape a generation, if not a century.

That is especially true when it comes to our economy.

We have now lost jobs for five straight months – more than 320,000 since the beginning of this year. Last month we saw the biggest rise in the unemployment rate in more than twenty years. The percentage of homes in foreclosure and late mortgage payments is the highest since the Great Depression. The price of oil has never been higher and set a record on Friday for the largest one-day spike in history. The costs of health care and college tuition and even food have all hit record levels, while family incomes have fallen and the wages of our workers have stayed the same.

You don't have to read the stock tickers or scan the headlines in the financial section to understand the seriousness of the situation we're in right now. You just have to go to Pennsylvania and listen to the man who lost his job but can't even afford the gas to drive around and look for a new one. Or listen to the woman from Iowa who works the night shift after a full day of class and still can't pay the medical bills for a sister who's ill. Or talk to the worker I met in Indiana who worked at the same plant his father worked at for thirty years until they moved it to Mexico and made the workers actually pack up the equipment themselves so they could send it to China.

Go to Janesville, Wisconsin or Moraine, Ohio and talk to the workers at General Motors who just found out the plants they labored their entire lives at will be closed forever; or the thousands of truck drivers and airline workers who will lose their jobs because of the debilitating cost of fuel. Or just ask any family in North Carolina who will sit around their kitchen table tonight and wonder whether next week's paycheck will be enough to cover next month's bills – who will look at their children without knowing if they'll be able to give them the same chances that they had.

We did not arrive at the doorstep of our current economic crisis by some accident of history. This was not an inevitable part of the business cycle that was beyond our power to avoid. It was the logical conclusion of a tired and misguided philosophy that has dominated Washington for far too long.

George Bush called it the Ownership Society, but it's little more than a worn dogma that says we should give more to those at the top and hope that their good fortune trickles down to the hardworking many. For eight long years, our President sacrificed investments in health care, and education, and energy, and infrastructure on the altar of tax breaks for big corporations and wealthy CEOs – trillions of dollars in giveaways that proved neither compassionate nor conservative.

And for all of George Bush's professed faith in free markets, the markets have hardly been free – not when the gates of Washington are thrown open to high-priced lobbyists who rig the rules of the road and riddle our tax code with special interest favors and corporate loopholes. As a result of such special-interest driven policies and lax regulation, we haven't seen prosperity trickling down to Main Street. Instead, a housing crisis that could leave up to two million homeowners facing foreclosure has shaken confidence in the entire economy.

I understand that the challenges facing our economy didn't start the day George Bush took office and they won't end the day he leaves. Some are partly the result of forces that have globalized our economy over the last several decades – revolutions in communication and technology have sent jobs wherever there's an internet connection; that have forced children in Raleigh and Boston to compete for those jobs with children in Bangalore and Beijing. We live in a more competitive world, and that is a fact that cannot be reversed.

But I also know that this nation has faced such fundamental change before, and each time we've kept our economy strong and competitive by making the decision to expand opportunity outward; to grow our middle-class; to invest in innovation, and most importantly, to invest in the education and well-being of our workers.

We've done this because in America, our prosperity has always risen from the bottom-up. From the earliest days of our founding, it has been the hard work and ingenuity of our people that's served as the wellspring of our economic strength. That's why we built a system of free public high schools when we transitioned from a nation of farms to a nation of factories. That's why we sent my

grandfather's generation to college, and declared a minimum wage for our workers, and promised to live in dignity after they retire through the creation of Social Security. That's why we've invested in the science and research that have led to new discoveries and entire new industries. And that's what this country will do again when I am President of the United States.

We will begin this general election campaign by traveling across the country for the next few weeks to talk about what specifically we need to do to build a 21st economy that works for working Americans. I will speak with economic experts and advisors at the end of the tour, but first I want to speak with you, and hear about your thoughts and your struggles in the places where you live and work. And at each stop, I will take the opportunity to lay out the very real and very serious differences on the economy between myself and Senator McCain.

As I've said before, John McCain is an American hero whose military service we honor. He can also legitimately tout moments of independents from his party, and on some issues, such as earmark reform and climate change, he and I share goals, even if we may differ on how to get there.

But when it comes to the economy, John McCain and I have a fundamentally different vision of where to take the country. Because for all his talk of independence, the centerpiece of his economic plan amounts to a full-throated endorsement of George Bush's policies. He says we've made "great progress" in our economy these past eight years. He calls himself a fiscal conservative and on the campaign trail he's passionate critic of government spending, and yet he has no problem spending hundreds of billions of dollars on tax breaks for big corporations and a permanent occupation of Iraq – policies that have left our children with a mountain of debt.

George Bush's policies have taken us from a projected \$5.6 trillion dollar surplus at the end of the Clinton Administration to massive deficits and nearly four trillion dollars in new debt today. We were promised a fiscal conservative. Instead, we got the most fiscally irresponsible administration in history. And now John McCain wants to give us another. Well we've been there once, and we're not going back. It's time to move this country forward.

I have a different vision for the future. Instead of spending twelve billion dollars a month to rebuild Iraq, I think it's time we invested in our roads and schools and bridges and started to rebuild America. Instead of handing out giveaways to corporations that don't need them and didn't ask for them, it's time we started giving a hand-up to families who are trying pay their medical bills and send their children to college. We can't afford four more years of skewed priorities that give us nothing but record debt – we need change that works for the American people. And that is the choice in this election

My vision involves both a short-term plan to help working families who are struggling to keep up and a long-term agenda to make America competitive in a global economy.

A week from today, I'll be talking about this long-term agenda in more detail. It's an agenda that

will require us first and foremost to train and educate our workforce with the skills necessary to compete in a knowledge-based economy. We'll also need to place a greater emphasis on areas like science and technology that will define the workforce of the 21st century, and invest in the research and innovation necessary to create the jobs and industries of the future right here in America. One place where that investment would make an enormous difference is in a renewable energy policy that ends our addiction on foreign oil, provides real long-term relief from high fuel costs, and builds a green economy that could create up to five million well-paying jobs that can't be outsourced. We can also create millions of new jobs by rebuilding our schools, roads, bridges, and other critical infrastructure that needs repair.

And because we know that we can't or shouldn't put up walls around our economy, a long-term agenda will also find a way to make trade work for American workers. We do the cause of free-trade – a cause I believe in – no good when we pass trade agreements that hand out favors to special interests and do little to help workers who have to watch their factories close down. There is nothing protectionist about demanding that trade spreads the benefits of globalization as broadly as possible.

That's what we need to do in the long-term. But today I want to focus on what we must do in the short-term to lift up our workers, ease the struggle that so many families are facing right now, and restore a sense of fairness and balance to our economy.

Such relief that can't wait until the next President takes office. In January, well before the administration seemed to discover ordinary Americans were struggling, I called for a fiscal stimulus plan to get checks in the hands of hard-working families and seniors. Congress passed such a plan and the first checks are now arriving. But since then hundreds of thousands more people have lost their jobs, and so we must do more.

That's why I've called for another round of fiscal stimulus, an immediate \$50 billion to help those who've been hit hardest by this economic downturn – Americans who have lost their jobs, their homes, and are facing rising costs and cutbacks in state and local services like education and health care. We need to expand unemployment benefits and extend them for those who can't find another job right away – especially since the long-term unemployment rate is nearly twice as high as it was during the last recession. And we must help the millions of homeowners who are facing foreclosure through no fault of their own.

As late as December, John McCain told a newspaper in New Hampshire that he'd love to offer a solution to the housing crisis, but he just didn't have one. It took him three different tries to figure it out, and in the end, his plan does nothing to help 1.5 million homeowners who are facing foreclosure, even as he supported spending billions to bail out Wall Street. President Bush told the American people he thought the biggest danger arising from this housing crisis was the temptation to do something about it. Now Senator McCain wants to turn Bush's policy of 'too little, too late'

into a policy of ‘even less, even later’. That’s not the change we need right now. That’s what got us into this mess in the first place.

In contrast, I offered a proposal to crack down on mortgage fraud almost two years ago, and in this campaign I’ve called for the immediate creation of a \$10 billion Foreclosure Prevention Fund to provide direct relief to victims of the housing crisis. We’ll also help those who are facing foreclosure refinance their mortgages so they can stay in their homes at rates they can afford. I’ll provide struggling homeowners relief by offering a tax credit to low- and middle-income Americans that would cover ten percent of their mortgage interest payment every year.

The principle is simple – if the government can bail out investment banks on Wall Street, we can extend a hand to folks who are struggling on Main Street. As President, I’ll get tough on enforcement, raise the penalties on lenders who break the rules, and implement a new Home Score system that will allow consumers to find out more about mortgage offers and whether they’ll be able to make payments. This kind of transparency won’t just make our homeowners more secure, it will make our markets more stable, and keep our economy strong and competitive in the future. That’s the change Americans need, and that’s what I’ll do as President.

As the housing crisis spills over into other parts of the economy, we also need to help the millions of Americans who are struggling under skyrocketing costs and stagnant wages that are pushing working families towards a debt spiral from which they can’t escape. We have to give them a way out by lowering costs, putting more money in their pockets, and rebuilding a safety net that’s becoming badly frayed over the last few decades.

When it comes to relieving these economic anxieties that working families feel, nothing matches the burden they face from crushing health care costs. John McCain’s approach to health care mirrors that of George Bush. He’s promising four more years of a health care plan that only takes care of the healthy and the wealthy – a plan that will actually make it easier – easier – than it already is for insurance companies to deny coverage to the elderly or the sick or those with pre-existing conditions. It may lead millions to lose the coverage they already have and millions more to have to pay even more than they do right now.

We can’t afford that. Not when 47 million Americans are already uninsured, a number that is growing by the day. Not when families and businesses across the country are being crushed by the growing burden of health care costs and when half of all personal bankruptcies are caused by medical bills.

When I am President, we’ll take a different approach. We will give every American the chance to get the same kind of health care that Members of Congress give themselves. We’ll bring down premiums by \$2500 for the typical family, and we’ll prevent insurance companies from discriminating against those who need care most. And we won’t just lower costs for families, we’ll lower costs for the entire country by making our health care system more efficient through better

technology and more emphasis on prevention. That's the choice in this election, and that's the change I'll bring as President.

Just as we need to reform our health care system, we also have to reform a tax code that rewards wealth over work – a 10,000-page monstrosity that high-priced lobbyists have rigged with page after page of special interest loopholes and tax shelters; a tax code that continues George Bush's billion-dollar giveaways to big corporations and wealthy CEOs; a tax code that has plunged this country deeper and deeper into debt.

John McCain takes great pride in saying that he's a fiscal conservative, and he's already signaled that he will try to define me with the same old tax-and-spend label that his side has been throwing around for decades. But let's look at the facts.

John McCain once said that he couldn't vote for the Bush tax breaks in good conscience because they were too skewed to the wealthiest Americans. Later, he said it was irresponsible to cut taxes during a time of war because we simply couldn't afford them. Well, nothing's changed about the war, but something's certainly changed about John McCain, because these same Bush tax cuts are now his central economic policy. Not only that, but he is now calling for a new round of tax giveaways that are twice as expensive as the original Bush plan and nearly twice as regressive. His policy will spend nearly \$2 trillion on tax breaks for corporations, including \$1.2 billion for Exxon alone, a company that just recorded the highest profits in history.

Think about that. At a time when we're fighting two wars, when millions of Americans can't afford their medical bills or their tuition bills, when we're paying more than \$4 a gallon for gas, the man who rails against government spending wants to spend \$1.2 billion on a tax break for Exxon Mobil. That isn't just irresponsible. It's outrageous.

If John McCain's policies were implemented, they would add \$5.7 trillion to the national debt over the next decade. That isn't fiscal conservatism, that's what George Bush has done over the last eight years. Not only can working families not afford it, future generations can't afford it. And we can't allow it to happen in this election.

I'll take a different approach. I will reform our tax code so that it's simple, fair, and advances opportunity instead of distorting the market by advancing the agenda of some lobbyist or oil company. I'll shut down the corporate loopholes and tax havens, and I'll use the money to help pay for a middle-class tax cut that will provide \$1,000 of relief to 95% of workers and their families. I'll make oil companies like Exxon pay a tax on their windfall profits, and we'll use the money to help families pay for their skyrocketing energy costs and other bills. We'll also eliminate income taxes for any retiree making less than \$50,000 per year, because every senior deserves to live out their life in dignity and respect. And while John McCain wants to pick up where George Bush left off by trying again to privatize Social Security, I will never waver in my commitment to protect that basic promise as President. We will not privatize Social Security, we will not raise the retirement age, and

we will save Social Security for future generations by asking the wealthiest Americans to pay their fair share.

Now, contrary to what John McCain may say, every single proposal that I've made in this campaign is paid for – because I believe in pay-as-you-go. Senator McCain is right that there's waste in government, and I intend to root it out as President. But his suggestion that the earmark reforms that we're both interested in implementing will somehow make up for his enormous tax giveaway indicates that John McCain was right when he said that he doesn't understand the economy as well as he should. Either that or he's hoping you just won't notice. Whatever it is, it's not the kind of change we need in Washington right now.

I'll be talking in more detail next week about how we can make our workforce more competitive by reforming our education system, but there's also an immediate squeeze we need to deal with, and that's college affordability.

I know how expensive this is from firsthand experience. At the beginning of our marriage, Michelle and I were spending so much of our income just to pay off our college loans. And that was decades ago. The cost of a college education has exploded since then, pricing hundreds of thousands of young Americans out of their dream every year, or forcing them to begin their careers in unconscionable debt. So I'll offer this promise to every student as President – your country will offer you \$4,000 a year of tuition if you offer your country community or national service when you graduate. If you invest in America, America will invest in you.

As far as we can tell, John McCain doesn't have a plan to make college more affordable. And that means he isn't listening to the struggles facing a new generation of Americans.

Finally, we need to help those Americans who find themselves in a debt spiral climb out. Since so many who are struggling to keep up with their mortgages are now shifting their debt to credit cards, we have to make sure that credit cards don't become the next stage in the housing crisis. To make sure that Americans know what they're signing up for, I'll institute a five-star rating system to inform consumers about the level of risk involved in every credit card. And we'll establish a Credit Card Bill of Rights that will ban unilateral changes to credit card agreements; ban rate hikes on debt you already had; and ban interest charges on late fees. Americans need to pay what they owe, but you should pay what's fair, not just what fattens profits for some credit card company and they can get away with.

The same principle should apply to our bankruptcy laws. When I first arrived in the Senate, I opposed the credit card industry's bankruptcy bill that made it harder for working families to climb out of debt. John McCain supported that bill – and he even opposed exempting families who were only in bankruptcy because of medical expenses they couldn't pay.

When I'm President, we'll reform our bankruptcy laws so that we give Americans who find

themselves in debt a second chance. We'll make sure that if you can demonstrate that you went bankrupt because of medical expenses, you can relieve that debt and get back on your feet. And I'll make sure that CEOs can't dump your pension with one hand while they collect a bonus with the other. That's an outrage, and it's time we had a President who knows it's an outrage.

This is the choice you will face in November. You can vote for John McCain, and see a continuation of Bush economic policies – more tax cuts to the wealthy, more corporate tax breaks, more mountains of debt, and little to no relief for families struggling with the rising costs of everything from health care to a college education.

But I don't think that is the future we want. The Americans I've met over the last sixteen months in town halls and living rooms; on farms and front porches – they may come from different places and have different backgrounds, but they hold common hopes and dream the same simple dreams. They know government can't solve all their problems, and they don't expect it to. They believe in personal responsibility, and hard work, and self-reliance. They don't like seeing their tax dollars wasted.

But we also believe in an America where unrivaled prosperity brings boundless opportunity – a place where jobs are there for the willing; where hard work is rewarded with a decent living; where no matter how much you start with or where you come from or who your parents are, you can make it if you try.

We believe in the country that gave my grandfather and a generation of heroes the chance to go to college on the GI Bill when they came home from World War II – a GI Bill that helped create the largest middle-class in history.

We believe in the country that made it possible for my mother – a single parent who didn't have much – to send my sister and me to the best schools in the country with the help of scholarships.

We believe in the country that allowed my father-in-law – a city worker at a water filtration plant on the South Side of Chicago – to provide for his wife and two children on a single salary. He was diagnosed with multiple sclerosis at age thirty, but that didn't stop him from going to work every day – often with the help of a walker – so that could send my wife and her brother to one of the best colleges in the nation.

His job didn't just give him a paycheck; it gave him a sense of dignity and self-worth. His country didn't just reward wealth, but the work and the workers who created it. And that is the America we believe in.

That is the choice we face right now – a choice between more of the same policies that have widened inequality, added to our debt, and shaken the foundation of our economy, or change that will restore balance to our economy; that will invest in the ingenuity and innovation of our people; that will fuel a bottom-up prosperity to keep America strong and competitive in the 21st century.

It is not left or right – liberal or conservative – to say that we have tried it their way for eight long years. And it has failed. It is time to try something new. It is time for change.

The challenges we face are great, and we may not meet them in one term or with one President. But history tells us we have met greater challenges before. And the seriousness of this moment tells us we can't afford not to try.

So as we set out on this journey, let us also forge a new path – a path that leads to unrivaled prosperity; to boundless opportunity; to the America we believe in and a dream that will always endure. Thank you, and may God Bless America.

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