

**Remarks of Senator Barack Obama
An Agenda for Middle-Class Success
Monday, July 7th, 2008**

As Prepared for Delivery

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.

Most of you already know this – not just because you see headlines about job loss and foreclosures and recession, but because you feel the effects of all this in your own lives. You're working harder than ever to pay bills that are getting bigger than ever and there's not much left over at the end of the month. You're trying to juggle the demands of work and family. You're driving less and saving less. You're worried about the value of your home and whether you'll be able to afford college for your kids and still retire at a decent age.

For millions of families, these everyday worries and long-term anxieties have grown considerably worse over the last year. But they are rooted in fundamental changes in our economy that began years earlier.

Over the last few decades, revolutions in technology and communication have made it so that corporations can send good jobs anywhere in the world there's an internet connection. Children in Charlotte aren't just competing for the same good jobs with children from Boston, but with children in Bangalore and Beijing as well. Two-income families haven't just become more common, they've become a necessity to keep up with rising costs and wages that haven't grown.

But as our world and our economy have changed, only Washington has stood still. The progress we made during the 1990s was quickly reversed by an Administration with a single philosophy that is as old as it is misguided: reward not work, not success, but pure wealth. Give massive tax breaks to big corporations and multimillionaires and hope that prosperity trickles down to everyone else. Sacrifice investments in health care and education and energy and technology to pay for these tax breaks, and borrow the rest from countries like China, leaving our children to foot the bill.

Well it's painfully clear by now how badly this strategy has failed. And this is a fundamental issue in this campaign, because Senator McCain and I have very different views of where our economy is today, and where we need to go.

Senator McCain said earlier this year that America has made "great progress economically" over the past eight years. He believes we're on the right track, and he's launching a new economic tour today with policies that are very much the same as those we have seen from the Bush Administration.

In fact, the central component of Senator McCain's economic plan is \$300 billion more in tax cuts for big corporations and multimillionaires – less than a quarter of which will benefit the 80% of American families that make up the bulk of our middle-class. Less than a quarter.

Under Senator McCain's economic plan, Exxon Mobil – a company that recently reported the

biggest profit in history – would get \$1.2 billion in tax breaks, while less than a quarter of the benefits would go to the middle-class. What’s worse – he has no concrete plan to pay for these tax breaks, so his policies would actually add more than \$2 or \$3 trillion to the national debt over the next decade and weaken our economy even further. If this sounds familiar, it’s because it’s exactly what George Bush has done for the last eight years. It hasn’t worked, it won’t work, and it is time to try something new.

I won’t stand here and pretend that we can or should undo the economic transformations that have taken place over the last few decades. There are jobs that aren’t coming back and this world will always be more competitive. But I do believe that if all of us are willing to share the burdens and benefits of this new economy, then all of us will prosper – not just because government makes it so, but because we’re willing to take responsibility as individuals to work harder and think more and innovate further.

I believe this because I know that 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 on the GI Bill, which helped create the largest middle-class in history. 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.

The other week I laid out what America needs to do to remain competitive in the 21st century. 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.

Those are the steps we can take to grow our economy and stay competitive as a nation. But today, I want to talk about my plan to not only ensure the economic security of middle-class families in the short-term, but to give them the chance to achieve economic success in the long-term; to make sure that Americans aren’t just getting by, but getting ahead – that they’re able to get a world-class education, build a nest egg and provide a better life for their children. We can make this new economy work for us if we finally change course in November.

The first step is to offer immediate relief to families who are struggling right now while helping to jumpstart economic growth and create jobs. Between a sluggish economy and gas prices rising above \$4 a gallon, the American people cannot wait another six months for help. Instead of

Washington gimmicks like a three-month gas tax holiday that will only pad oil company profits, we need to do what I called for months ago and pass a second stimulus package that provides energy rebate checks for working families, a fund to help families avoid foreclosure, and increased assistance for states that have been hard-hit by the economic downturn. A few days ago I called on Senator McCain and all members of Congress to come together – Republicans and Democrats – in support of this \$50 billion stimulus package. There are many policies we'll disagree on, but immediate relief for families who are struggling shouldn't be one of them. And so while I haven't received a response from Senator McCain yet, I look forward to hearing one soon.

The second step in my agenda is to help provide economic security for families who've been dealing with skyrocketing costs and stagnant wages for years. I believe it's time to reform our tax code so that it rewards work and not just wealth. So when I'm President, 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. We'll also eliminate income taxes for every retiree making less than \$50,000 per year, because every senior deserves to live out their life in dignity and respect. And if Senator McCain wants a debate about taxes in this campaign, that's a debate I'm happy to have. Because if you're a family making less than \$250,000, my plan will not raise your taxes – not your income taxes, not your payroll taxes, not your capital gains taxes, not any of your taxes. In fact, what Senator McCain should explain is why his tax cut for the middle class would leave out 101 million households, and why, for families that are lucky enough to get the tax cut, it would be worth only about \$125 in the first year. The difference is – he trusts that prosperity will trickle down from corporations and the wealthiest few to everyone else. I believe that it's the hard work of middle-class Americans that fuels this nation's prosperity.

I'll also help families who are struggling under the crushing burden of health care costs by passing a plan that brings the typical family's premiums down by \$2500 and guarantees coverage to everyone who wants it. Senator McCain's health care plan not only fails to cover every American and holds out less hope of cutting health care costs, it would actually tax your health care benefits for the first time ever. Over time this tax would grow and after just a few years it would be so large that middle-class families would face an overall tax increase from his plans. So that is a real choice in this election.

As we help families deal with rising costs, we also have to help those families who find themselves mired in debt. 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 because, once again, we failed to establish basic rules and oversight to protect consumers from predatory lending.

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'm President, we'll reform our bankruptcy laws so that we give Americans who find themselves in debt a second chance. And 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.

But even as we take these steps, we also know that it's not enough to just get families back on their feet. We need to help hardworking families get ahead. We need to help the middle-class succeed because that's when our economy succeeds. That's why the third step in my agenda is to give families the help they need to build that nest egg and provide a better life for their children.

To make saving easier, we'll automatically enroll every worker in a workplace pension plan that stays with you from job to job. And for working families who earn under \$75,000, we will start that nest egg for you by matching 50 percent of the first \$1,000 you save and depositing it directly into your account.

To make a college education affordable for every American family, I'll make this promise to every student – 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.

To make it easier for families to own their own home and stay in that home, we'll crack down on predatory lenders, and help more Americans refinance their mortgages, and provide ten million homeowners a mortgage tax credit that will take ten percent off their interest rate.

To help those mothers and fathers who are juggling work and family, I'll expand the Child Care Tax Credit, extend the Family Medical Leave Act to give more parents more time with their children, and make sure that every worker in America has access to seven days of paid sick leave. I'll make sure that women get equal pay for an equal day's work, because that's what's right and that's what families need to get ahead. And to help those families who own small businesses that are the engine of prosperity in America, I will eliminate all capital gains taxes on start-ups and small businesses to encourage more innovation and job creation.

There is no doubt that this agenda is ambitious. It will take resources in the wake of policies our debt like a war in Iraq that's costing us \$10 billion a month. But the answer to our fiscal problems is not to short-change investments that will help our families get ahead – investments that are vital to our long-term growth as a nation. The answer is to make sure that we are finding a way to pay for these investments but cutting where we can. My plan is detailed and specific when it comes to cutting spending. In fact, all my new spending proposals would be more than paid for by spending reductions. I have a plan to responsibly end the war in Iraq and reduce overpayments for private plans in Medicare, something John McCain has no specific plan to do. I would also curb subsidies to banks making student loans, return earmarks to their 2001 levels and reform no-bid contracts. I do this because I believe we can have a smarter government that pays its way while investing in our country's future.

You know, 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 fairness and opportunity – in an America 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 not just get by, but actually get ahead. That's the promise of this country, and I believe we can keep that promise together if we

change course and get to work in the months and years ahead. Thank you.

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