

Now, this week Members of Congress are going to have a chance to set things right. They get to vote on what we call the Buffett rule.

It's simple: If you make more than \$1 million every year, you should pay at least the same percentage of your income in taxes as middle class families do. On the other hand, if you make less than \$250,000 a year, like 98 percent of American families do, your taxes shouldn't go up.

That's all there is to it. It's pretty sensible. Most Americans support this idea. One survey found that two-thirds of millionaires do too. So do nearly half of all Republicans.

We just need some Republican politicians to get on board with where the country is. I know they'll say that this is all about wanting to raise people's taxes. They probably won't tell you that if you belong to a middle class family, then I've cut your taxes each year that I've been in office, and I've cut taxes for small-business owners 17 times.

But the thing is, for most Americans like me, tax rates are near their lowest point in 50 years. In 2001 and 2003, the wealthiest Americans received two huge new tax cuts. We were told these tax cuts would lead to faster job growth. Instead, we got the slowest job growth in half a century, and the typical American family actually saw its income fall.

On the flip side, when the most well-off Americans were asked to pay a little more in

the 1990s, we were warned that it would kill jobs. Instead, tens of millions of jobs followed.

So we've tried this trickle-down experiment before. It doesn't work. And middle class families have seen too much of their security eroded over the past few decades for us to tell them they're going to have to do more because the wealthiest Americans are going to do less. We can't stop investing in the things that will help grow our economy and create jobs—things like education, research, new sources of energy—just so folks like me can get another tax cut.

So I hope you'll ask your Member of Congress to step up and echo that call this week by voting for the Buffett rule. Remind them that in America, prosperity has never just trickled down from a wealthy few. Prosperity has always been built by a strong, thriving middle class. That's a principle worth reaffirming right now.

Thanks. God bless you, and have a great weekend.

NOTE: The address was recorded at approximately 5:35 p.m. on April 12 in the Grand Foyer at the White House for broadcast on April 14. In the address, the President referred to Warren E. Buffett, chief executive officer and chairman, and Debbie Bosanek, assistant, Berkshire Hathaway Inc. The transcript was made available by the Office of the Press Secretary on April 13, but was embargoed for release until 6 a.m. on April 14.

Remarks at the CEO Summit of the Americas and a Question-and-Answer Session in Cartagena, Colombia *April 14, 2012*

President Obama. Well, first of all, I want to thank President Santos and the people of Colombia for the extraordinary hospitality in the beautiful city of Cartagena. We're having a wonderful time. And usually when I take these summit trips, part of my job is to scout out where I may want to bring Michelle back later for vacation. So we'll make sure to come back sometime in the near future.

I want to acknowledge Luis Moreno of IDB, as well as Luis Villegas of the National Busi-

ness Association of Colombia, for helping to set this up, and everybody who's participating.

As President Rousseff indicated, obviously, we've gone through some very challenging times. These last 3 years have been as difficult for the world economy as anything that we've seen in our lifetimes. And it is both a result of globalization, and it is also a result of shifts in technology. The days when we could think of each of our economies in isolation, those days are long gone. What happens in Wall Street

has an impact in Rio. What happens in Bogota has an impact in Beijing.

And so I think the challenge for all of our countries, and certainly the challenge for this hemisphere, is how do we make sure that that globalization and that integration is benefiting a broad base of people, that economic growth is sustainable and robust, and that it is also giving opportunity to a growing, wider circle of people and giving businesses opportunities to thrive and create new products and new services and enjoy this global marketplace.

Now, I think the good news is this hemisphere is very well positioned in this global economy. It is remarkable to see the changes that have been taking place in a relatively short period of time in Latin and Central America and in the Caribbean. When you look at the extraordinary growth that's taken place in Brazil, first under President Lula and now under President Rousseff, when you think about the enormous progress that's been made here in Colombia under President Santos and his predecessor, what you see is that a lot of the old arguments on the left and the right no longer apply.

And what people are asking is, what works? How do we think in practical terms about delivering prosperity, training our people so that they can compete in the global economy? How do we create rule of law that allows businesses to invest with some sense of security and transparency? How do we invest in science and technology? How do we make sure that we have open and free trade at the same time as we're making sure that the benefits of free trade are distributed both between nations, but also within nations?

And the good news is, I think that, through various international organizations and organizations here within the hemisphere, we've seen enormous progress. Trade between the United States and Latin, Central—South America, Central America, and the Caribbean has expanded 46 percent since I came into office. Forty-six percent.

Before I came to Cartagena, I stopped in Tampa, Florida, which is the largest port in Florida. And they are booming and expanding.

And the reason is, is because of the enormous expansion of trade and commerce with this region. It's creating jobs in Florida, and it's creating jobs in Colombia, and it's creating jobs in Brazil and throughout the region. Businesses are seeing that if there—they have an outstanding product or an outstanding service, they don't have to restrict themselves to one market; they now have a regional market and ultimately a global market in which they can sell their goods and succeed.

A couple of things that I think will help further facilitate this productive integration: number one, the free trade agreement that we've negotiated between Colombia and the United States is an example of a free trade agreement that benefits both sides. It's a win-win. It has high standards—it's a high-standards agreement. It's not a race to the bottom, but rather it says each country is abiding by everything from strong rules around labor and the environment to intellectual property protection. And so I have confidence that as we implement this plan, what we're going to see is extraordinary opportunities for both U.S. and Colombian businesses.

So trade agreements of the sort that we have negotiated, thanks to the leadership of President Santos and his administration, I think point the way to the future.

In addition, I think there is the capacity for us to cooperate on problems that all countries face, and I'll take just one example, the issue of energy. All of us recognize that if we're going to continue to grow our economies effectively, then we're going to have to adapt to the fact that fossil fuels are a finite resource and demand is going up much faster than supply. There are also obviously significant environmental concerns that we have to deal with. So for us to cooperate on something like joint electrification and electric grid integration so that a country like Brazil that is doing outstanding work in biofuels or hydroenergy has the ability to export that energy, but also teach best practices to countries within the region, create new markets for clean energy throughout the region, which benefits those customers who need electricity, but also benefit those

countries that are top producers of energy. That's another example of the kind of progress that we can make together.

On the education front, every country in the region recognizes that if we're going to compete with Asia, if we're going to compete with Europe, we've got to up our game. We have to make sure that we've got the best trained workers in the world, we've got the best education system in the world. And so the work that President Rousseff and I are doing together to try to significantly expand educational exchanges and send young people who are studying science and engineering and computer science to the United States to study if they're Brazilian, down to Brazil to study best practices in clean energy in Brazil, there's enormous opportunity for us to work together to train our young people so that this hemisphere is filled with outstanding entrepreneurs and workers and allows us to compete more effectively.

So there are a number of areas where I think cooperation is proceeding. Sometimes it's not flashy. I think that oftentimes in the press the attention in summits like this ends up focusing on where are the controversies. Sometimes those controversies date back to before I was born. [*Laughter*] And sometimes I feel as if in some of these discussions or at least the press reports we're caught in a time warp, going back to the 1950s and gunboat diplomacy and Yanquis and the cold war and this and that and the other. That's not the world we live in today.

And my hope is, is that we all recognize this enormous opportunity that we've got. And I know the business leaders who are here today, they understand it; they understand that we're in a new world and we have to think in new ways.

Last point I want to make. I think when you think about the extraordinary success in Brazil, the success in Colombia, a big piece of that is governance. You can't, I believe, have, over the long term, successful economies if you don't have some basic principles that are being followed: democracy and rule of law, human rights being observed, freedom of expression. And I think—and also personal security, the

capacity for people to feel as if they—if they work hard, then they're able to achieve and they have motivation to start a business and to know that their own work will pay off.

And I just want to compliment both Brazil and Colombia, coming from different political traditions, but part of the reason why you've seen sustained growth is governments have worked effectively in each country. And I think that when we look at how we're going to integrate further and take advantage of increased opportunity in the future, it's very important for us not to ignore how important it is to have a clean, transparent, open government that is working on behalf of its people.

And that's important to business as well. The days when a business feels good working in a place where people are being oppressed, ultimately, that's an unstable environment for you to do business. You do business well when you know that it's a well-functioning society and that there's a legitimate government in place that is going to be looking out for its people.

So I just want to thank both of my outstanding partners here. They're true leaders in the region. And I can speak, I think, for the United States to say that we've never been more excited about the prospects of working as equal partners with our brothers and sisters in Latin America and the Caribbean, because that's going to be the key to our success.

[At this point, the discussion continued, and no transcript was provided. The discussion then continued as follows.]

Narcotrafficking

MSNBC Reporter Chris Matthews. President Santos, I guess there are some issues in America—we have a very large Hispanic population. Ten percent of our electorate is going to be Hispanic in background. We are the second largest Spanish-speaking country in the world after Mexico. People have dual languages in the United States, of course, but there is so much Spanish speaking. You have the chance to sit next to President Obama now. Do you want to ask him about the ways you think the

United States could help your country in the drug war?

President Juan Manuel Santos Calderon of Colombia. Chris, don't you have a simpler question?

Mr. Matthews. Can we improve North-South relations generally speaking?

[President Santos made remarks, and no transcript was provided. The discussion continued as follows.]

President Obama. Do you want me to respond?

Mr. Matthews. Yes, sir.

President Obama. Well, this is a conversation that I've had with President Santos and others. Just as the world economy is integrated, so, unfortunately, the drug trade is integrated. And we can't look at the issue of supply in Latin America without also looking at the issue of demand in the United States.

And so whether it's working with President Santos or supporting the courageous work that President Calderon is doing in Mexico, I personally and my administration and, I think, the American people understand that the toll of narco-trafficking on the societies of Central America, Caribbean, and parts of South America are brutal and undermining the capacity of those countries to protect their citizens and eroding institutions and corrupting institutions in ways that are ultimately bad for everybody.

So this is part of the reason why we've invested, Chris, about \$30 billion in prevention programs, drug treatment programs looking at the drug issue not just from a law enforcement and interdiction issue, but also from a public health perspective. This is why we've worked in unprecedented fashion in cooperation with countries like Mexico on not just drugs coming north, but also guns and cash going south.

This is one of the reasons why we have continued to invest in programs like Plan Colombia, but also now are working with Colombia, given their best practices around issues of citizen security, to have not just the United States, but Colombia provide technical assistance and training to countries in Central America and the Caribbean in finding ways that they can

duplicate some of the success that we've seen in Colombia.

So we're mindful of our responsibilities on this issue. And I think it is entirely legitimate to have a conversation about whether the laws in place are ones that are doing more harm than good in certain places.

I personally, and my administration's position, is that legalization is not the answer. That, in fact, if you think about how it would end up operating, that the capacity of a large-scale drug trade to dominate certain countries if they were allowed to operate legally without any constraint could be just as corrupting if not more corrupting than the status quo.

Nevertheless, I'm a big believer in looking at the evidence, having a debate. I think ultimately what we're going to find is, is that the way to solve this problem is both in the United States, us dealing with demand in a more effective way, but it's also going to be strengthening institutions at home.

You mentioned earlier, the biggest thing that's on everybody's minds—whether it's the United States, Canada, Brazil, Colombia, Jamaica—is, can I find a job that allows me to support my family and allows my children to advance and feel secure. And in those societies where you've got strong institutions, you've got strong business investment, you've got rule of law, you have a law enforcement infrastructure that is sound, and an economy that's growing, that country is going to be like a healthy body that is more immune than countries that have weak institutions and high unemployment, in which kids see their only future as participating in the drug trade because nobody has actually trained them to get a job with Google or Pepsi or start their own small business.

And so I think that it's important for us not to think that if somehow we look at the drug issue in isolation, in the absence of dealing with some of these other challenges—institutional challenges and barriers to growth and opportunity and the capacity for people to climb their way out of poverty—that we're going to be able to solve this problem. The drug issue in this region is, in some ways, a cause, but it's also, in some ways, an effect of some broader and un-

derlying problems. And we as the United States have an obligation not only to get our own house in order, but also to help countries in a partnership to try to see if we can move in a better direction.

[The discussion continued, and no transcript was provided. The discussion then continued as follows.]

Global Economic Growth and Development

Mr. Matthews. Mr. President, do you want to respond? I think the question that seems to be apparent here in the last couple of days is, first of all, tremendous enthusiasm, and a zeitgeist here that's almost unusual in the world for positive optimism about the development in this part of the world. It's not like it was—just isn't the way it was we grew up with.

The challenge I think you just heard from the President of Brazil was the notion that Latin America is not interested in being our complementary economy anymore: the agricultural end while we do the industrial end; they do the provision of raw materials, and we do the finery—the finest and highest level high-tech work. How do we either respond to Brazil's demand, really, to be partners and rivals? They want to use our educational resources; they want to come north to learn how to compete with us, right, Madam President? You want to be equals. You want to learn everything we know, and then take it back and shove it at us, right? [Laughter] Isn't that it?

Well, anyway, that's the response. I'd ask you for your response. [Laughter]

President Obama. Chris, I'm not sure you're characterizing what President Rousseff said—[laughter]—but this is what happens when you get some of our U.S. political commentators moderating a panel. [Laughter] They try to stir up things that may not always be there. And Chris is good at it. He's one of the best. [Laughter]

But look, this is already happening. This is already happening. Brazil has changed, Colombia has changed, and we welcome the change. The notion somehow that we see this as a problem is just not the case, because if we've

got a strong, growing, prosperous middle class in Latin America, those are new customers for our businesses.

We want—Brazil is growing and that opportunity is broad-based, then suddenly they're interested in buying iPads, and they're interested in buying Boeing airplanes and—[laughter].

President Dilma Rousseff of Brazil. Boeing—Embraer. [Laughter]

President Obama. I was just trying to see how she'd respond to that. [Laughter] But the point is, is that that's a market for us. So we in the United States should welcome not just growth, but broad-based growth, of the sort that President Rousseff described.

I'll give you just—I said I was in Tampa. All those containers that are coming in, they have, in some cases, commodities coming from Latin America, but they also have finished products that are coming in from Latin America. We have commodities that are going into Latin America that we're sending back on those containers, as well as finished products. And so this is a two-way street.

When I came into office, one of my first decisions was to say that the G-20 was not a temporary thing to respond to the world economic crisis, this should be the permanent forum for determining and coordinating direction in the world economy. And frankly, there were some folks who were members of the G-8 who were upset with me about that determination, but realistically, you can't coordinate world economic issues if you don't have China and Brazil and India and South Africa at the table—and Mexico. That's not possible.

So the world has changed. I think the United States and U.S. businesses stand to benefit from those changes. But it does mean that we have to adapt to that competitive environment. And all the advantages that President Rousseff mentioned we have as the United States—its flexibility, our scientific edge, our well-educated workforce, our top universities—those are the things that we continue to have to build and get better at. And that's true for every country here.

Every one of the businesses here are going to be making determinations about where you

locate based on the quality of the workforce, how much investment you have to make in training somebody to handle a million-dollar piece of equipment. Do you feel as if your intellectual property is going to be protected? Do you feel as if there's a good infrastructure to be able to get your products to market? And so I think this is a healthy competition that we should be encouraging.

And what I've said at the first summit that I came to—Summit of the Americas that I came to was, we do not believe there are junior partners and senior partners in this situation. We believe there are partners. And Brazil is in many ways ahead of us on something like bio-fuels; we should learn from them. And does—if we're going to be trying to mount a regional initiative, let's make sure that Brazil is taking the lead. It doesn't have to be us in every situation.

Now, the flip side is—and I'll close with this—I think in Latin America, part of the change in mentality is also not always looking to the United States as the reason for everything that happens that goes wrong.

I was in an interview—several interviews yesterday. These were actually with Spanish-speaking television stations that have broadcast back in the United States. And the first interviewer said, why hasn't the United States done more to promote democracy in the region, because you've done a lot in the Arab Spring, but it seems as if you're not dealing with some of the problems here in Latin America. The next questioner said, why are you being so hard on Cuba and promoting democracy all the time? [Laughter] So—but that's an example, I think, of some of the challenges we face that are rooted in legitimate historical grievances. But it gets—it becomes a habit.

When it comes to economic integration and exchanges, I am completely sympathetic to the fact that there are challenges around monetary policy in developed and less developed coun-

tries. And Brazil, for example, has seen the real appreciate in ways that had been hurtful. I would argue a lot of that has to do with the failure of some other countries to engage in rebalancing, not the United States. But having said that, I think there's not a country in Latin America who doesn't want to see the United States grow rapidly because we're your major export market.

And so most of these issues end up being complicated issues. Typically, they involve both actions in the United States as well as actions in the other countries if we're going to optimize the kind of growth and prosperity and broad-based opportunity that both President Santos and President Rousseff have spoken about.

And the United States comes here and says: We're ready to do business. We are open to a partnership. We don't expect to be able to dictate the terms of that partnership, we expect it to be a negotiation based on mutual interest and mutual respect. And I think we're all going to benefit as a consequence of that.

[The discussion continued, and no transcript was provided. The discussion concluded as follows.]

Mr. Matthews. Thank you very much, President Rousseff, President Santos, and my President, President Obama. Thank you. It's been an honor.

NOTE: The President spoke at 10:43 a.m. in the Gran Salon Bolivar at the Hilton Cartagena Hotel. In his remarks, he referred to Luis Alberto Moreno, president, Inter-American Developmental Bank; Luis Carlos Villegas Echeverri, president, National Business Association of Colombia; former President Luiz Inacio Lula da Silva of Brazil; and former President Alvaro Uribe Velez of Colombia.