

**In Address, Obama Makes Pitch for Economic Fairness**  
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**By Helene Cooper**

WASHINGTON — President Obama pledged on Tuesday night to use government power to balance the scale between America's rich and the rest of the public, trying to present an election-year choice between continued leadership toward an economy "built to last" and what he called irresponsible policies of the past that caused an economic collapse.

Declaring that "we've come too far to turn back now," the president used his final State of the Union address before he faces the voters to showcase the extent to which he will try to contrast his core economic principles with those of his Republican rivals in a time of deep economic uncertainty. While many Americans remain disappointed with the state of the economy and the president's handling of it, Mr. Obama nonetheless tried to bring into relief the difference between where the country was when he took over and where it is now.

"The state of our union is getting stronger," he declared in time-honored tradition. "In the last 22 months, businesses have created more than three million jobs." He pointed to renewed hiring by American manufacturers and — borrowing the "built to last" phrase from the auto industry he helped save — he sketched out, albeit vaguely, what he called a blueprint for economic growth in which the wealthy play by the same rules as ordinary Americans.

Republicans challenged Mr. Obama's assessment of the economy, and asserted that his policies had made the situation worse. But with their own poll numbers diving, Congressional Republicans were subdued in their response to the speech, careful not to boo or seem disrespectful. And the president disputed their claim that he was practicing the politics of division.

"You can call this class warfare all you want," Mr. Obama said of his call to create a more even economic playing field. "Most Americans would call that common sense." He characterized the choice as one between whether "a shrinking number of people do really well while a growing number of Americans barely get by" or his own vision — "where everyone gets a fair shot."

In returning to his 2008 campaign motif of these being "not Democratic values or Republican values, but American values," Mr. Obama presented a somewhat modest list of initiatives he could enact through executive authority coupled with more ambitious proposals unlikely to advance in Congress. It was an address meant to show a president still interested in governing and a leader putting the interests of the American middle class at the top of his agenda.

Many of his proposals centered on changes to the tax code, including limiting deductions for companies that move jobs overseas, rewarding companies that return jobs to the United States and increasing taxes on wealthy Americans.

Taking aim at financial institutions that engaged in risky lending practices that many believe tipped the country into financial crisis, Mr. Obama said he was asking Attorney General Eric H. Holder Jr. to create a special unit of federal prosecutors and state attorneys general to expand investigations into abusive lending. The new unit, he said, "will hold accountable those who broke the law, speed assistance to homeowners and help turn the page on an era of recklessness that hurt so many Americans."

Mr. Obama also proposed a new trade enforcement unit that would add to the number of government investigators pursuing unfair trade practices and that would be responsible for filing lawsuits against foreign countries, namely China. He called for new legislation to make it easier for Americans to refinance their homes if their interest rates are above market rates. And he proposed a bound-to-be-contentious way to allocate any savings from ending the war in Iraq and winding down the war in Afghanistan: by using half of the war savings on infrastructure projects and the other half to reduce the deficit.

"We will not go back to an economy weakened by outsourcing, bad debt and phony financial profits," Mr. Obama said. Though his advisers have vowed a campaign against Congress, he expressed a willingness to "work with anyone in this chamber" and said he would "oppose any effort to return to the very same policies that brought on this economic crisis in the first place."

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