

station put her on a talk show to run out her contract. That worked well. [Laughter] How's payback? [Laughter] That planted the seed for what would become the highest rated talk show in American television history.

Oprah's gift—as a host, as a producer, as an Oscar-nominated actress—has always been her ability to relate to her audience, to laugh with us, to cry with us, to draw us in and connect our most fervent hopes and deepest fears to her own. The reason we share ourselves with Oprah is because she shares herself with us: her childhood of abuse, her personal battles, her life as a woman, as an African American, as someone who is determined to confront both great injustices of the world and the private struggles of everyday life.

She has taught us to find strength in overcoming, to take a stand for ourselves and what we know is right. And she has shown millions of people around the world—people she probably will never meet—what it means to believe in “the dream of your own life.” Oprah Winfrey.

So Merle Haggard, Jerry Herman, Bill T. Jones, Paul McCart—what's your name again?—[laughter]—Paul McCartney, Oprah Winfrey. Their lives and their stories as are—

[At this point, a cell phone rang.]

The President. Who's calling? [Laughter]

—are as diverse as any you can imagine. Yet in their own way, each of these honorees help us understand the human experience—to illuminate our past, to help us understand our present, and to give us the courage to face our future.

Being here with tonight's honorees, reflecting on their contributions, I'm reminded of a

Supreme Court opinion by the great Justice Oliver Wendell Holmes. In a case argued before the Court in 1926, the majority ruled that the State of New York couldn't regulate the price of theater tickets because, in the opinion of the majority, the theater was not a public necessity. They argued, in effect, that the experience of attending the theater was superfluous. And this is what Justice Holmes had to say: “Too many people,” he wrote in his dissent, “the”—let me start that over. “To many people, the superfluous—superfluous”—it's this lip that's—[laughter]—it's hard to say. [Laughter] You try it when you've had 12 stitches. [Laughter] “The superfluous”—[applause]—thank you. All right. “To many people, the superfluous is necessary.”

The theater is necessary. Dance is necessary. Song is necessary. The arts are necessary. They are a necessary part of our lives.

The men and women here tonight embody that idea. Their work has enriched our lives. It's inspired us to greatness. And tonight it is my honor to offer them the appreciation of a grateful nation.

Thank you very much, all five of you. God bless you. Thank you.

NOTE: The President spoke at 5:14 p.m. in the East Room at the White House. In his remarks, he referred to David M. Rubenstein, chairman, and Michael M. Kaiser, president, John F. Kennedy Center for the Performing Arts; Caroline B. Kennedy, daughter of former President John F. Kennedy; George Stevens, Jr., and Margo Lion, Cochairs, President's Committee on the Arts and the Humanities; and Michael Stevens, coproducer with George Stevens, Jr., Kennedy Center Honors Gala.

Remarks at Forsyth Technical Community College in Winston-Salem, North Carolina

December 6, 2010

Thank you, everybody. Thank you so much. Everybody, please, everybody have a seat, have a seat. It is good to be back in North Carolina. Love North Carolina. Although, I have to say, I came down here for slightly warmer weather. [Laughter] What's snow doing on the ground in

North Carolina? [Laughter] Come on, now. Anyway, it is a great honor to be with you here at Forsyth Technical Community College.

There are a few people I want to acknowledge who are just doing outstanding work. First of all, your incredibly impressive college presi-

dent, Gary Green, is here. Your wonderful Governor, Bev Perdue, is in the house; your Senators, Richard Burr and the better looking one, Kay Hagan; two hard-working Congressmen, Mel Watt and Brad Miller, are here. We've got Secretary of State Elaine Marshall in the house. And Mayor Allen Joines is here.

Well, it's been about a month now since the midterm elections. And in Washington, at least, much of the chatter is still about the political implications of those elections: what the results mean for Democrats, what they mean for Republicans. And already, we're hearing what this means for the next election. And I have to tell you, I came to Winston-Salem because I believe that right now there are bigger issues at stake for our country than politics. And these issues call on us to respond not as partisans, but as Americans.

At this moment, we are still emerging from a once-in-a-lifetime recession that has taken a terrible toll on millions of families, many here in North Carolina who have lost their jobs or their businesses, and their sense of security.

Now, fortunately, we've seen some encouraging signs that a recovery is beginning to take hold. An economy that had been shrinking for nearly a year is now growing. After nearly 2 years of job loss, our economy has added over 1 million private sector jobs in 2010.

Now, I was just talking to Bev, and she was mentioning that here in North Carolina, we've seen 50,000 new jobs here in North Carolina. And after teetering on the brink of liquidation not 2 years ago, our auto industry is posting healthy gains. So we're seeing progress across the country.

But as we also saw in November's jobs report, the recovery is simply not happening fast enough. Plenty of Americans are still hurting. And our challenge now is to do whatever it takes to accelerate job creation and economic growth.

Now, in the short term, that means preventing the middle class tax increase that's currently scheduled for January 1. Right now Democrats and Republicans in Congress are working through some differences to try to get this done. And there are some serious debates that are still

taking place. Republicans want to make permanent the tax cuts for the wealthiest Americans. I have argued that we can't afford it right now. But what I've also said is we've got to find consensus here, because a middle class tax hike would be very tough not only on working families, it would also be a drag on our economy at this moment.

So I believe we should keep in place tax cuts for workers and small businesses that are set to expire. We've got to make sure that we're coming up with a solution, even if it's not a hundred percent of what I want or what the Republicans want. There's no reason that ordinary Americans should see their taxes go up next year.

We should also extend unemployment insurance for workers who've lost their jobs through no fault of their own. That is a priority. And I should mention that's not only the right thing to do, it's the smart thing to do, because if millions of Americans who aren't getting unemployment benefits stop spending money, that slows down businesses. That slows down hiring. It slows down our recovery.

Now, even if we take these and other steps to boost our recovery in the short term, we're also going to have to make some serious decisions about our economy in the long run. We've got to look ahead, not just to the next year but to the next 10 years, the next 20 years. We've got to ask ourselves, where will the new jobs come from? What will it take to get them? And what will it take to keep the American Dream alive for our children and our grandchildren?

Think about North Carolina. Obviously, this recession had a devastating effect here, like it did everywhere else. But the trends have been going on for quite some time.

I was just visiting with President Green, with some of the students here in the biotech field, wonderful people, from every walk of life. You had folks who had just gotten out of high school, and you had folks who had—were in midlife and had been laid off from a manufacturing job and had come here to retrain. But a bunch of them mentioned, "Well, I was laid off because the textile industry has moved away here in North Carolina." "I was laid off because the

furniture industry has moved away here in North Carolina.”

Those were long-term trends. And that means we’ve got to have a long-term vision about where we want to be 10 years from now, 20 years from now, 30 years from now.

Just like past generations did, we must be prepared to answer these questions in our time. And over the next several weeks, I’m going to be meeting with my economic team, with business leaders, and others to develop specific policies and budget recommendations for the coming year. Today I want to outline the broader vision that I believe should guide these policies, and it’s a vision that will keep our economy strong and growing and competitive in the 21st century.

And that vision begins with a recognition of how our economy has changed over time. When Forsyth Technical opened 50 years ago, it was known as Forsyth County Industrial Education Center, right? That’s a mouthful. *[Laughter]* Machine shops and automotive mechanics were some of the first classes you could take. Of course, back then you didn’t even need a degree to earn a decent living. You could get a job at the local tobacco or textile plant and still be able to provide for yourself and your family.

That world has changed. In the last few decades, revolutions in communications, revolutions in technology, have made businesses mobile and has made commerce global. So today, a company can set up shop, hire workers, and sell their products wherever there’s an Internet connection. That’s a transformation that’s touched off a fierce competition among nations for the jobs and industries of the future.

Some of you know I traveled through Asia several weeks ago. You’ve got a billion people in India who are suddenly plugged into the world economy. You’ve got over a billion people in China who are suddenly plugged into the global economy. And that means competition is going to be much more fierce, and the winners of this competition will be the countries that have the most educated workers, a serious commitment to research and technology, and access to quality infrastructure like roads and airports and high-speed rail and high-speed Internet. Those

are the seeds of economic growth in the 21st century. Where they are planted, the most jobs and businesses will take root.

Now, in the last century, America was that place where innovation happened and jobs and industry always took root. The business of America was business. Our economic leadership in the world went unmatched. Now it’s up to us to make sure that we maintain that leadership in this century. And at this moment, the most important contest we face is not between Democrats and Republicans, it’s between America and our economic competitors all around the world. That’s the competition we’ve got to spend time thinking about.

Now, I have no doubt we can win this competition. We are the home of the world’s best universities, the best research facilities, the most brilliant scientists, the brightest minds, some of the hardest working, most entrepreneurial people on Earth, right here in America. It’s in our DNA. Think about it. People came from all over the world to live here in the United States. That’s been our history. And those were the go-getters, the risk takers who came here. The folks who didn’t want to take risks, they stayed back home. *[Laughter]* Right? So there’s no doubt that we are well equipped to win.

But as it stands right now, the hard truth is this: In the race for the future, America is in danger of falling behind. That’s just the truth. And when—if you hear a politician say it’s not, they’re not paying attention. In a generation, we have fallen from first place to ninth place in the proportion of young people with college degrees. When it comes to high school graduation rates, we’re ranked 18th out of 24 industrialized nations—18th. We’re 27th in the proportion of science and engineering degrees we hand out. We lag behind other nations in the quality of our math and science education.

When global firms were asked a few years back where they planned on building new research and development facilities, nearly 80 percent said either China or India, because those countries are focused on math and science, and they’re focused on training and educating their workforce.

I sat down with President Lee of South Korea, and I asked him, what's the biggest problem you have in education? He said, "You know, these parents, they come to me and they are constantly pressuring me; they want their kids to learn so fast, so much—they're even making me import English-speaking teachers in, because they want first-graders to know English." I asked him about investment in research and development. He says, "We're putting aside 5 percent of our gross domestic product in research and development, 3 percent of it in clean energy."

You go to Shanghai, China, and they've built more high-speed rail in the last year than we've built in the last 30 years. The largest private solar research and development facility in the world has recently opened in China, by an American company. Today, China also has the fastest trains and the fastest supercomputer in the world.

In 1957, just before this college opened, the Soviet Union beat us into space by launching a satellite known as Sputnik. And that was a wake-up call that caused the United States to boost our investment in innovation and education, particularly in math and science. And as a result, once we put our minds to it, once we got focused, once we got unified, not only did we surpass the Soviets, we developed new American technologies, industries, and jobs.

So, 50 years later, our generation's Sputnik moment is back. This is our moment. If the recession has taught us anything, it's that we cannot go back to an economy that's driven by too much spending, too much borrowing, running up credit cards, taking out a lot of home equity loans, paper profits that are built on financial speculation. We've got to rebuild on a new and stronger foundation for economic growth.

We need to do what America has always been known for: building, innovating, educating, making things. We don't want to be a nation that simply buys and consumes products from other countries. We want to create and sell products all over the world that are stamped with three simple words: Made in America. That's our goal.

So I came to Forsyth today because you've shown what this future can look like. Half a century later, you're still giving students the skills and training they need to get good jobs, but of course—but courses in machine shop and car mechanics have now broadened to degrees in mechanical engineering technology and nanotechnology and biotechnology. And meanwhile, your unique partnerships that you're building with advanced manufacturing and biotechnology firms will ensure that the businesses of the future locate here: they come here, they stay here, they hire right here in Winston-Salem.

As a national leader in bioscience and innovation, North Carolina is now the country's third largest employer in biotechnology. And when Caterpillar recently decided to build a plant in this community, they told President Green one of the main reasons was they were convinced that Forsyth Tech had the capability of providing them with the technical workforce that they need.

That's something everybody in this room should be very proud of. And I know that business leaders from throughout the community have worked intensively with President Green and others to help make this happen. And I know that your congressional delegation, as well as your Governor, have worked hard to make this happen.

Now, none of this progress happened by itself. It happened thanks to the hard work of students here at Forsyth, the commitment of local leaders, foresight of local business leaders. Most importantly, it happened because there was a decision made to invest in the collective future of this community. It happened because there was a decision to invest in this college, and there were loans and scholarships that made it affordable to go here.

To invest in the basic research and development that helped jump-start North Carolina's biotech industry, to invest in new buildings and laboratories and research facilities that make your work possible, these are the kinds of investments we need to keep making in communities across America, investments that will grow our economy and help us to stay competitive in the 21st century.

Now, I want to emphasize I say this knowing full well we face a very difficult fiscal situation. I'm looking at the books back in Washington, and folks weren't doing a real good job with their math for the last decade. So now that the threat of a depression has passed and a recovery is beginning to take hold, reducing our long-term deficit has to be a priority. And in the long run, we won't be able to compete with countries like China if we keep borrowing from countries like China. We won't be able to do it.

So we've already started making some tough decisions. And they're unpopular and people get mad, but we've got to make some decisions. I've proposed a 3-year freeze in all spending that doesn't have to do with national security. And I proposed a 2-year freeze in the pay for Federal workers. That's why we're currently studying recommendations of the bipartisan deficit reduction panel that I commissioned. We're going to have to be bold and courageous in eliminating spending and programs that we don't need and we can't afford.

But here's where there's going to be a debate in Washington over the next year and over the next couple of years and maybe over the next 5 years, because I will argue and insist that we cannot cut back on those investments that have the biggest impact on our economic growth. Because I was talking with President Green, and he said much of the equipment here would not be here if it hadn't been for the assistance of the Recovery Act, the assistance of the Department of Labor. All this stuff that we've done over the last couple of years that people were questioning, you can see it translated in the classrooms right here. The work that we're doing on student loans and Pell grants, you can see it in the students who are able to finance their retraining right here.

So we can't stop making those investments. The best antidote to a growing deficit, by the way, is a growing economy. To borrow an analogy, cutting the deficit by cutting investments in areas like education, areas like innovation, that's like trying to reduce the weight of an overloaded aircraft by removing the engine. It's not a good idea. There may be some things you need

to get rid of, but you got to keep the engine. [Laughter]

That's why even as we scour the budget for cuts and savings in the months ahead, I will continue to fight for those investments that will help America win the race for the jobs and industries of the future, and that means investments in education and innovation and infrastructure. I will be fighting for that.

In an era where most new jobs will require some kind of higher education, we have to keep investing in the skills and education of our workers. And that's why we are going—we are well on our way to meeting the goal I set when I took office 2 years ago: By 2020, America will once again have the highest proportion of college graduates in the world. That's a commitment that we're making.

So to get there, we're making college more affordable for millions of students. We've made an unprecedented investment in community colleges just like this one. And just like Forsyth, we've launched a nationwide initiative to connect graduates that need a job with businesses that need their skills.

We're reforming K–12 education not from the top down, but from the bottom up. Instead of indiscriminately pouring money into a system that's not working, we're challenging schools and States to compete with each other to see who can come up with reforms that raise standards and recruit and retain good teachers, raise student achievement, especially in math and science. We call it Race to the Top, where you get more funding if you show more results, because part of the argument here is, is that if we're going to have a government that's smart and helping people compete in this new global economy, then we've got to spend our money wisely. And that means we want to invest in things that are working, not in things that aren't working just because that's how things have always been done.

Now, once our students graduate with the skills they need for the jobs of the future, we've also got to make sure those jobs end up right here in America. We've got to make sure that the United States is the best place to do business and the best place to innovate. So it's time,

for example, that we have a Tax Code that encourages job creation here in America.

And to boost our recovery, I've already proposed that all American businesses should be allowed to write off all the investments they do in 2011. We want to jump-start, starting next year, plants and equipment investment right here in Winston-Salem and all across North Carolina and all across the United States of America.

To encourage homegrown American innovation we should make it easier to patent a new idea or a new invention. And if you want to know one reason why more companies are choosing to do their research and development in places like China and India, it's because the United States now ranks 24th out of 38 countries in the generosity of the tax incentives we provide for research and development. So that's why I've proposed a bigger, permanent tax credit for companies for all the research and innovation they do right here in America—all of it.

Now, what's also true is a lot of companies don't invest in basic research because it doesn't pay off right away. But that doesn't mean it's not essential to our economic future. Forty years ago, it probably didn't seem useful or profitable for scientists and engineers to figure out how to increase the capacity of integrated circuits. Forty years later, I'm still not sure what that means. *[Laughter]* What I do know is that discoveries in integrated circuits made back then led to the iPod and cell phones and GPS and CT scans, products that have led to new companies and countless new jobs in manufacturing and retail and other sectors. That's why I've set a goal of investing a full 3 percent—not 2 percent, not 2.5 percent—a full 3 percent of our gross domestic product into research and development. That has to be a priority.

If this is truly going to be our Sputnik moment, we need a commitment to innovation that we haven't seen since President Kennedy challenged us to go to the Moon. And we're directing a lot of that research into one of the most promising areas for economic growth and job creation, and that's clean energy technology. I don't want to see new solar panels or electric cars or advanced batteries manufactured in Eu-

rope or in Asia. I want to see them made right here in America, by American businesses and American workers.

I also want to make it easier for our businesses and workers to sell their products all over the world. The more we export abroad, the more jobs we support at home. We've got to change the formula. We've got to flip the script, because what's been happening is, is that we've been doing all the buying; somebody else has been doing all the selling. We've got to start selling and have them do some buying. And that's why we've set a goal of doubling U.S. exports in 5 years. And that's why I'm pleased that last week, we came closer to meeting that goal by finalizing a trade agreement with our ally, South Korea. This is a nation that offers one of the fastest growing markets for American goods.

Now, here in North Carolina and all across the country, there are a lot of people that say, trade, we're not sure that that helps us. It seems like maybe it's hurt us in areas like furniture. Look, right now the status quo: South Korea is selling a whole bunch of stuff here, and we're not selling it there. The current deal is not a good one for us.

Think about—there are a lot of Hyundais on the road. *[Laughter]* But there aren't a lot of Fords in Seoul, because the formula has been: Let's sign any trade agreement; let's cut any deal, without thinking ahead about how this is going to impact America. What this deal does is boost our annual exports to South Korea by \$11 billion. That means it will support at least 70,000 American jobs—70,000 American jobs.

Now, the final area where greater investment will lead to more jobs and economic growth is in America's infrastructure: our roads, our railways, our runways, our information superhighways. Over the last 2 years, our investment in infrastructure projects—yes, through the Recovery Act—have led to thousands of good private sector jobs and improved infrastructure here in North Carolina and all across the country.

But we've got a long way to go. There is no reason that over 90 percent of the homes in South Korea have broadband Internet access

and only 65 percent of American households do. Think about that. There's no reason why China should have nearly 10,000 miles of high-speed rail by 2020 and America has 400. Think about that number. They've got 10,000; we've got 400. They've got trains that operate at speeds of over 200 mph, and I don't know how fast our trains are going. [Laughter]

We're the nation that built the transcontinental railroad. We're the nation that took the first airplane into flight. We constructed a massive Interstate Highway System. We introduced the world to the Internet. America has always been built to compete. And if we want to attract the best jobs and businesses to our shores, we've got to be that nation again.

And throughout history, the investments I've talked about—in education and innovation and infrastructure—have historically commanded the support from both Democrats and Republicans. It was Abraham Lincoln who launched the transcontinental railroad and opened the National Academy of Sciences. He did it in the middle of a war, by the way. But he knew this was so important we had to make these investments for future generations. Dwight Eisenhower helped build our highways. Republican Members of Congress worked with FDR to pass the GI bill.

More recently, infrastructure bills have found support on both sides of the congressional aisle. The permanent extension of research and development tax credits was proposed by both Bill Clinton and George W. Bush. Our education reforms have been praised by both Democratic and Republican Governors.

So the point is there should not be any inherent ideological differences that prevent Democrats and Republicans from making our economy more competitive with the rest of the world. If we're willing to put aside short-term politics, if our objective is not simply winning elections but winning the future, then we should be able to get our act together here, because we are all Americans and we are in this race together.

So those of us who work in Washington have a choice to make in the coming weeks and months. We can focus on what's necessary for each party to win the news cycle or the next

election. We can do what we've been doing. Or we can do what this moment demands and focus on what's necessary for America to win the future.

For as difficult as the times may be, the good news is that we know what the future could look like for the United States. We can see it in the classrooms that are experimenting with groundbreaking reforms and giving children new math and science skills at an early age. We can see it in the wind farms and solar plants and advanced battery plants that are opening all across America. We can see it here at Forsyth, in your laboratories and your research facilities, and over at the biotechnology firms that are churning out jobs and businesses and lifesaving discoveries.

You see it in the faces of the young people who we just visited to—visited with, Dr. Green and myself—some not-so-young faces, but people who, despite layoffs, despite hardships, felt confident in their future.

Just the other month, I saw part of America's future during a science fair we held at the White House. It was the first science fair we've ever held. And we talked to some of these amazing young people. It was probably as much fun as I've had in several months. Now, that's a low bar, given—[laughter]. But there was a team from Tennessee that had designed a self-powered water filtration plant so that homes in Appalachia could have access to clean water. And then there were these young people—these are all high school, some younger than high school—there were young people who had designed a way to make an entire town more energy efficient.

And there were young people who had entered into rocket contests, and they were showing me all the rockets that they had been shooting up, and they had won an international contest, and explained to me the designs of these things—and robots that were running around in the State Dining Room and bumping into things. [Laughter]

And then the last person I spoke to was a young woman from Dallas, Texas, and her name was Amy Chyao. She's 16 years old. She's a child of immigrants. Her parents came to the United States from China, but Amy was born

here. And when she was a freshman in high school, she got interested in cancer research. She had studied biology and she got interested in cancer research. So she decided—get this—she decided to teach herself chemistry over the summer. And then she designed a device that uses light to kill hard-to-reach cancer cells while leaving the healthy ones untouched. This is her summer science project—[laughter]—16 years old.

She goes on to win the international science competition. All these kids from all around the world—she wins the competition. So now she's being approached by laboratories all across the country who want to work with her on developing this potential breakthrough cancer drug that she's designed. Sixteen years old.

And I'm talking to Amy and pretending like I understand what she is explaining. [Laughter] And as I'm listening to her, I'm looking at the portrait of Abraham Lincoln that hangs over her head in the State Dining Room. And I remem-

bered all that we've been through and all that we've overcome. And I thought to myself, you know what, the idea of America is alive and well. We are going to be just fine.

We are going to be just fine as long as there are people like Amy and her parents who still want to come to this country and add to our story; as long as there are people like the men and women here at Forsyth Technical, who are keeping us at the top of our game; as long as we are willing to look past the disagreements of the moment and focus on the future that we share. We will be fine.

If we can do that, I have no doubt that this will be remembered as another American century. We will meet that Sputnik moment, but we're going to all have to do it together.

Thank you very much, everybody. God bless you, and God bless America.

NOTE: The President spoke at 12:28 p.m. in the West Campus auditorium.

Remarks on Tax Reform and the Extension of Unemployment Insurance Benefits

December 6, 2010

For the past few weeks, there's been a lot of talk around Washington about taxes, and there's been a lot of political positioning between the two parties. But around kitchen tables, Americans are asking just one question: Are we going to allow their taxes to go up on January 1, or will we meet our responsibilities to resolve our differences and do what's necessary to speed up the recovery and get people back to work?

Now, there's no doubt that the differences between the parties are real and they are profound. Ever since I started running for this office I've said that we should only extend the tax cuts for the middle class. These are the Americans who've taken the biggest hit not only from this recession, but from nearly a decade of costs that have gone up while their paychecks have not. It would be a grave injustice to let taxes increase for these Americans right now, and it would deal a serious blow to our economic recovery.

Now, Republicans have a different view. They believe that we should also make permanent the tax cuts for the wealthiest 2 percent of Americans. I completely disagree with this. A permanent extension of these tax cuts would cost us \$700 billion at a time when we need to start focusing on bringing down our deficit. And economists from all across the political spectrum agree that giving tax cuts to millionaires and billionaires does very little to actually grow our economy.

This is where the debate has stood for the last couple of weeks. And what is abundantly clear to everyone in this town is that Republicans will block a permanent tax cut for the middle class unless they also get a permanent tax cut for the wealthiest Americans, regardless of the cost or impact on the deficit.

We saw that in two different votes in the Senate that were taken this weekend. And without a willingness to give on both sides, there's no